

**VILLAGE OF PEMBERTON
-SPECIAL COUNCIL MEETING AGENDA-**

Agenda for the **Special Council Meeting** of Council of the Village of Pemberton to be held Thursday, June 19, 2014 at 9:00 a.m. in Council Office, 7400 Prospect Street. This is Meeting No. 1367.

“This meeting is being recorded on audio tape for minute-taking purposes as authorized by the Village of Pemberton Audio recording of Meetings Policy dated September 14, 2010.”

Item of Business	Page No.
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1. CALL TO ORDER

2. APPROVAL OF AGENDA

Recommendation: THAT the Agenda be approved as presented.

3. IN CAMERA

THAT pursuant to Section 90 (1) (k) Negotiations of the Community Charter, the Council of the Village of Pemberton serve notice to hold an In-Camera Meeting on today's date for the purpose of dealing with matters for which the public shall be excluded from attending.

4. BYLAWS

a) Village of Pemberton Termination of Water Services Bylaw No. 717, 2012 – Rescind and Reconsideration of Third Reading

Recommendation 1:

THAT Council rescinds the May 21, 2013 third reading of the Village of Pemberton Termination of Water Services Bylaw No. 717, 2012 and amends the seventh and eighth WHEREAS Clauses to read:

WHEREAS the Village financial records reflect that there are outstanding and unpaid fees including penalties and interest due to the Village as of December 31, 2013 in the amount of \$978,039.22;

WHEREAS the \$978,039.22 in outstanding and unpaid fees owed to the Village by the SLRD are increasing over time and represent a significant and increasing operational and fiscal risk;

Recommendation 2:

THAT Council considers and gives third reading to the Village of Pemberton Termination of Water Services Bylaw No. 717, 2012 as amended.

b) Village of Pemberton 2014 Water Rates Bylaw No. 768, 2014 – First, Second and Third Readings

Recommendation: THAT Village of Pemberton 2014 Water Rates Bylaw No. 768, 2014 receive Fourth and Final Readings.

5. ADJOURNMENT

Date: June 17, 2014
To: Mayor and Council
From: Daniel Sailland, Chief Administrative Officer
Subject: Termination of Water Services Bylaw No. 717, 2012 Third Reading Amendment

PURPOSE

To submit for Council consideration and amendment at third reading a bylaw to discontinue the provision of bulk water service to Pemberton North Water System (PNWS) failing execution of a bulk water service agreement between the Village of Pemberton and the Squamish-Lillooet Regional District (SLRD).

BACKGROUND AND COMMENTS

As a result of a stated commitment by the SLRD to find resolve to the matter of outstanding debt and the lack of agreement for the provision of water to the SLRD's Pemberton North Water System (PNWS), the Village of Pemberton Council agreed to only give third reading to Bylaw No. 717, 2012 on May 21 of 2013. Since that time both the SLRD and Village of Pemberton have been actively negotiating both an agreement for future water purchase as well as possible settlement to the outstanding monies owed to the Village of Pemberton for the consumption of water. It has now been 13 months since third reading and though there has been a complete water service review by KWL engineers as well as some common ground found around this matter there is still no signed agreement and still no settlement to the monies owed to the Village of Pemberton.

Subsequent to the May 21, 2013 third reading of the amended bylaw additional invoicing from the Village of Pemberton to the SLRD for the consumption of water has occurred. Consistent with the treatment of Village invoices for water consumption since 2007 the SLRD has made partial payment of the invoices issued for 2013. Consistent with Village bylaws the Village of Pemberton has continued to apply interest to the outstanding debt owed to the Village of Pemberton and as a result the current outstanding owed to Pemberton is \$516,096.19 plus interest and penalties which totals \$978,039.22. As a result of this change in outstanding debt staff recommends that the WHEREAS clauses stating the outstanding amounts should be updated to record the full amount owing (including interest and penalties) of \$978,039.22 as of December 31, 2013.

The bylaw can only be amended again by rescinding third reading and then amending the specific clauses that state the correct Bylaw No. and outstanding fees. The bylaw can then be re-read as amended a third time at the same meeting. The *Community Charter* Section 135 (3) states that there must be at least one day between the third reading and the adoption of a bylaw.

DISCUSSION

The Village has been delivering bulk water to PNWS for the benefit of the SLRD and billing the SLRD quarterly based on readings from two water meters that were installed and are maintained by the SLRD since 1990.

There is no formal agreement between the Village and the SLRD for the supply of bulk water to PNWS.

For the past 23 years the Village and the SLRD have been attempting to negotiate a bulk water agreement.

For the past seven (7) years the SLRD has not paid the full water rates invoiced and these amounts are increasing each quarter and represent a significant and growing operational and fiscal risk.

The Village recognizes that the completion of a formal agreement between itself and the SLRD for the delivery of bulk water remains the most effective method of resolving outstanding matters relevant to the delivery of water to the PNWS.

In the absence of an agreement for 2014 the Village of Pemberton is challenged in implementing both the new water service rates developed as a result of the KWL service review as well as the larger corporate budget. However, the Village is no longer able to delay the adoption of the water rates bylaw, and as such are bringing forward for consideration at this Council Meeting, the 2014 Water Rates Bylaw utilizing the Alternative 2 rate structure as per the KWL service review and as adopted in the 2014 – 2018 Five Year Financial Plan.

The challenge to the greater corporate budget is relevant to staff time and the proper allocation of financial resources to this matter. Whether the Village ends up in court over this matter or whether there are continued negotiations to a mutually successful end the cost and time allocation to each option represents significant changes to the Village budget as well as opportunity cost or lost by having staff pulled off of other key goals and objectives.

Although proceeding with the notice to terminate service to the SLRD/PNWS is not desired it is required at this time. The reality is that the Village of Pemberton must begin implementing changes to its water system which includes altering cost structures and staff allocation. The Village of Pemberton has already extended the notice to terminate the provision of service to the SLRD/PNWS by eighteen (18) months. The result of this extension is an increase in financial risk to the Village taxpayer and providing notice at this point simply means that Pemberton is providing the SLRD with a final twelve (12) months or to June 2015 in order to reach resolve.

IMPACT ON BUDGET, POLICY, STAFFING

The impact on Village staff time has been considerable this past seven years. In 2013 Village staff has spent 647 hours on PNWS alone, and additional time in 2014 which has yet to be calculated. This is the equivalent of just over \$46,000.00 for 2013 and the amount for 2014 is unknown. In addition to the staff time the Village has incurred legal fees and costs for professional engineering relevant to system reviews and PNWS directly. The Village spent approximately \$22,000.00 in 2013 and \$81,390.00 since 2006. The 2014 legal costs are approximately \$5,000.00 to date.

