



January 6, 2022

Ref: 269026

Patrick Brabazon
Chair, qathet Regional District
202 – 4675 Marine Avenue
Powell River, BC V8A 2L2
pbrabazon@qathet.ca

Dear Chair Brabazon:

I am writing to you today to discuss the future of Lund Waterworks District (Lund). As you are likely aware, Lund has not had a quorum of Trustees since December 2020 and is in need of substantial infrastructure upgrades. To help stabilize the improvement district and ensure there is decision-making authority in case of an emergency, the Ministry is completing the process to appoint a receiver for Lund (anticipated to start in February 2022).

While a receiver can address immediate governance and financial issues, it does not solve the longer-term challenges faced by Lund, including significant infrastructure upgrades needed to meet modern water quality standards. While Lund is not able to directly access grant funds to offset the costs of these upgrades, a regional district working in partnership with an improvement district can, where there is agreement that conversion to a regional district service will be the end result.

I understand that qathet Regional District (qRD) worked with Lund in 2019 to submit a funding application under the Rural and Northern Communities Program. While this application was not successful (due to the large ask and the limited pool of funds), the proposal itself was well presented. I want to encourage qRD to submit a similar application for the final intake of the *Investing in Canada Infrastructure Program – Environmental Quality (ICIP – EQ) Program* which has recently opened. Program details are available at www.gov.bc.ca/Investing-in-Canada-Infrastructure-Program. Time is of critical importance as the **intake closes January 26, 2022**, and there are currently no other similar funding programs on the horizon.

Ministry staff have informed me there may be some hesitancy on behalf of the Board to apply for this funding as it does not cover the full cost of the needed infrastructure upgrades, and the remaining amount may be too high for the ratepayers of Lund to cover. To address this concern Ministry staff are prepared to work directly with qRD staff and the receiver for Lund over the coming months to explore different options to reduce the burden on ratepayers by reducing the associated project costs. If the ICIP-EQ funding application is successful, and there is a desire to refine the scope of the project to

reduce overall costs after the time of application, the Ministry can work with qRD to align and adjust the scope of funding.

I would also like to make clear that there is no expectation to convert the governance of Lund to qRD before the outcome of the ICIP-EQ funding application is known. An email has been sent to Al Radke, qRD Chief Administrative Officer, containing more detailed information and proposed next steps in order for qRD to meet the January 26, 2022 ICIP-EQ funding intake deadline.

Ministry staff are prepared to work closely with qRD staff to move this project ahead and are available to answer any questions you may have. Justin Langton, Infrastructure Resource Officer, is available to help with the ICIP-EQ Program funding application. Mr. Langton can be reached by phone at 778 698-6405 or by email at Justin.Langton@gov.bc.ca. Arielle Guetta, Senior Planning Analyst, can answer any questions related to improvement districts, conversion, or securing a grant to study different options to reduce the associated project costs. Ms. Guetta can be contacted by phone at 778 698-3216 or by email at Arielle.Guetta@gov.bc.ca.

We look forward to further discussions with qRD about Lund and the related funding opportunities.

Sincerely,



Tara Faganello
Assistant Deputy Minister

Enclosure

pc: Madelaine Martin, Director, Ministry of Municipal Affairs
Patrick Thompson, Director, Ministry of Municipal Affairs
Justin Langton, Infrastructure Resource Officer, Ministry of Municipal Affairs
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