

Ministry of Community, Sport and Cultural Development
BRIEFING NOTE FOR MINISTER

Ref #: 151753

FOR INFORMATION

Date: October 18, 2012

Title: District of Lillooet

Issue: The District of Lillooet has been faced with a number of challenges in the past year and an adversarial attitude has developed between the public and the District.

Background:

1. Water infrastructure projects

The District's watershed suffered from the impacts of forest fires in 2005 and 2009 and since then, the Province has been working closely with the District to develop a long term sustainable water supply and distribution system that will withstand future natural disasters. The District has received approximately \$10 million in Gas Tax – General Strategic Priorities Funding for a two-phase water system improvement project. Phase 1 had been completed. The Phase 2 funds were held temporarily until the District could provide copies of all necessary approvals and agreements with MOTI, BC Hydro and First Nations. However, it appears the District was unable to secure the necessary agreements and is expected to submit a formal scope change request the UBCM Gas Tax Program administrators. The proposed scope change would see the new water source draw from Cayoosh Creek itself rather than Hydro's Seton Canal. The water supply/system choices have been very controversial with some community members.

2. December 2011 emergency/drainage infrastructure project.

In November, 2011, a weather event destabilized roads and property in one area of the municipality. The event significantly disrupted road access to both District and a First Nations reserve lands. Additionally, slope instability in a residential area generated an 'imminent' risk such that evacuation orders for two properties and evacuation alerts for six properties were established. The three residents of the two properties subject to the evacuation order all initially received Emergency Social Services support which transitioned to longer-term living assistance.

Following the event, a local state of emergency was declared and the District passed a loan authorization bylaw for up to \$2.5 million borrowing to repair roads and fix the drainage problems. The District is working with Emergency Management BC (EMBC), the Ministry of Community, Sport and Cultural Development (CSCD) and the Federal Department of Aboriginal Relations for payment towards aspects of the emergency response and recovery efforts.

3. Resignation of Council members

On January 5, 2012, the mayor and a councillor both resigned from council. Clear reasons were never provided, with comments made about "no alternative but to resign", "principles being compromised" and a dysfunctional council. According to media reports, they had been on the losing end of a 3/2 split on council from the outset; as well there was disagreement on particular issues (e.g. the \$2.5 million borrowing for emergency repairs; council's procedure bylaw amendment). The District held a by-election to fill the vacancies created by the resignations and the new council members took office in early April 2012 (both have previous experience on Council).

3. Amendment to council's meeting procedure bylaw

The council voted in December 2011 to amend its meeting procedure bylaw to cancel public question period, and instead, permit citizens to submit written questions for council's response. The amendment was proposed in response to concerns that this portion of the council meeting is one "...where members of the public asked inflammatory and loaded questions that perverted the original purpose of public question period." Council has the ability to amend its procedure bylaw but the amendment would not be considered a best practice.

4. Consultant's governance report.

On June 1- 2, 2010, workshops were conducted with the District by consultants George Cuff and Ron Born. George Cuff is a nationally recognized local government consultant who helps to address relationship, role and management issues. The report presented to council following the workshops provides recommendations in a number of areas, including communication with the public, council-member relations, staff-council relations and various management practices. A number of those recommendations were implemented by staff; others remain for council consideration.

5. Community organizations and relations with council/CAO

Members of the Lillooet Ratepayers Association (now called the Lillooet Watershed Planning Committee) have been very vocal and critical of the actions of council, actively opposing many of the District's initiatives – in particular, the water system upgrade because they insist (contrary to the Province's and the District's view) that the existing creeks are a sufficient water supply source. In the period leading up to the by-election, a "pro-Lillooet" group was formed, consisting of residents who supported the council. In 2012, a provincial organization called Integrity BC joined the debate, siding with residents who want the District to consider alternatives to the water system upgrade and calling on the provincial government to appoint a conciliator.

Recently, an open letter was sent from the mayor to one of the more vocal community members and a copy is attached.

Increasingly, a focus of the ratepayers' criticism is the District's corporate officer (Grant Loyer). In September 2012, Mr. Loyer took the unusual step of taking a polygraph test to prove his statements regarding the water project as being truthful and to protect this reputation

6. Legal actions

A number of residents are reportedly suing the District over the December 2011 flooding. Another resident has indicated that he has recently filed a complaint with the RCMP alleging "criminal activity" by the District, its elected and appointed officials. In addition, Mr. Loyer's legal counsel has recently sent letters to a number of citizens seeking an apology for their allegedly defamatory statements regarding Mr. Loyer and indicating he is prepared to take legal action.

7. Other District initiatives

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Families First Considerations: An effective local government system has the capacity to manage change and provide quality, affordable services to their citizens.

First Nations Considerations: The District has a very good working relationship with the First Nations in their region.

Discussion:

Some members of the community, outside organizations (e.g. Integrity BC) and media coverage have called on the Province intervene in some way. The Province's authority to intervene to impose remedial steps is limited to more extreme circumstances (e.g. if a municipality is in financial default). There is no indication that the District is in financial distress.

Ministry staff are actively involved with the District in the water system infrastructure upgrade and have responded in detail to residents' concerns. Ministry staff provided assistance to the District to expedite approval of the emergency borrowing. Staff of EMBC are actively working with the District on emergency recovery and cost issues. Ministry staff have been in contact with the District on several occasions to offer advice on specific governance issues and are continuing to monitor the overall situation.

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