



April 20, 2020

Ref: 252040

His Worship Mayor John MacDonald
Village of Sayward
PO Box 29
Sayward BC V0P 1R0

Dear Mayor MacDonald:

Thank you for your letter received February 4, 2020, addressed to the Honourable John Horgan, Premier, others and me, regarding the Village of Sayward's Project C40255, the Sayward Municipal Raw Water Supply Intake and Dam Decommissioning project, approved for funding through the Clean Water and Wastewater Fund (CWWF). As Minister responsible for the local government system, I am pleased to respond.

I appreciate the complexities and challenges of this project and your concern for its efficient completion. While I understand your request for additional funding for this project, the CWWF was not designed to support project cost increases. I do recognize that this situation is not unique to the Village's project. The CWWF was fully allocated at the time of approvals and cost increases are ultimately the responsibility of the project proponent.

I understand Ministry of Municipal Affairs and Housing staff have worked with Village staff to support a project scope change request that includes dam decommissioning, building a diversion weir and to extend the project completion date to March 31, 2020, which will provide additional opportunities to lower costs and assess project complexities.

Further, ministry staff are currently working with our federal government partners on a more recent request to extend the project completion date to March 31, 2021. Although this date is beyond the current program deadline, ministry staff have continuously advanced the position for a case-by-case consideration for an exemption can be made, to support the Village to complete this project. Though not yet approved, it is my understanding that the extension approvals will be forthcoming.

The two extension requests and the previously approved scope change would allow the project capital costs to be spread over multiple fiscal years and provide an opportunity to lower operation and maintenance costs.

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His Worship Mayor John MacDonald
Page 2

Additionally, we now find ourselves working with both our federal and local government partners to address the short- and long-term impacts of COVID-19. This includes addressing the significant financial strain being faced by local governments. Please know that I am speaking to the federal Minister of Infrastructure and Communities, the Honourable Catherine McKenna, about the challenges facing British Columbia and am optimistic that support for community infrastructure projects will continue.

In the meantime, there are other funding mechanisms that could be explored, including long-term borrowing and it is recommended that Village staff continue to work with Local Government Division, Infrastructure and Finance staff to explore these options. For information, I encourage you to contact Joshua Craig, Financial Officer, Local Government Infrastructure and Finance Branch, by email at: Joshua.Craig@gov.bc.ca.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a stylized flourish at the end.

Selina Robinson
Minister

pc: Honourable John Horgan, Premier
Honourable George Heyman, Minister of Environment and Climate Change Strategy
Honourable Carole James, Minister of Finance
Honourable Claire Trevena, Minister of Transportation and Infrastructure
Joshua Craig, Financial Officer, Local Government Finance