COMMUNITY TO COMMUNITY FORUM
Village of Hazelton and the Gitanmaax First Nation
Wednesday, November 24, 2004

Final Report

1. Forum Objective

To provide a forum for the elected and appointed officials from the two communities to discuss common interest and concerns, with specific emphasis on the administration of the current Joint Water Works Capital and Operation & Maintenance Agreement for Joint Water and Sewer Works.

2. Participants

The forum, held on the final day, followed two (2) days of consultation and research involving members of the administration from the two government bodies to familiarize the consultant with the Joint Water & Sewer Agreement and current practices for the operation and administration of the two utility systems. The following representatives were in attendance at the Community-to-Community Forum.

Gitanmaax First Nation
Lisa Mowatt, Councillor
Veronica Green, Councillor
Bridie O’Brien, Executive Director

Village of Hazelton
Alice Maitland, Mayor
Shirley Muldon, Councillor
Helen Koning, Chief Administrative Officer

Tony Siebert, P. Eng,
Advisory Services
Gitksan Government Commission

Facilitator/Consultant
Dave Morris, Suda Management

3. Agenda and the Purpose and Goals Statement are attached as Appendices “A” and “B”.

4. The Joint Water Works & Sewer Works: Agreement

A primary purpose of the Forum was to review the current Joint Water and Sewer Agreement and to provide recommendations to the two communities on the operations and administrative practices of the two systems and the current cost sharing arrangements.

The facilitator noted the uniqueness of the two communities with interlocking boundaries and the benefits, which have accrued to the residents of both communities by working together to provide common utility services. Good water services have been provided for over twenty years and the joint sewer service has been in effect for over ten years.

Why Review Now?

The two communities noted the following items leading to the need for a review of the agreement at this time.
• the systems are ageing, with significant leakage in the water system being identified in a recent study;
• there is renewed interest from the Kitimat-Stikine Regional District in services for the Two Mile area;
• some recently identified water quality concerns, due to colour and turbidity during the spring freshet; and
• the Dayton & Knight 2004 Report on necessary water system improvements.

These current issues have led to this third Community-to-Community Forum and the need for a review of the current Joint Water and Sewer Systems Agreement.

What Do the Parties Wish to Achieve?

The two communities now desire:
• improved management of the Joint Systems;
• more efficient operation of the Joint Systems;
• closer cooperation between the two government bodies and better information sharing; and
• ensure fairness and equity in the cost sharing arrangements for operation, maintenance and capital improvements to the two utility systems.

To obtain the required information on the systems and current practices, the consultant undertook a general financial review of the revenue and expenditures of the two systems over the past few years and used this information to determine the fairness of current cost sharing arrangements.

The Current Systems

The Joint Water System, consisting of the intake, treatment facility and water mains, is operated and maintained by the Gitamaax First Nation with all general operation, maintenance and administration costs being borne by the First Nation. While costs are not isolated for the Joint Water Works, as they also include the expenses of the Gitamaax internal subdivisions’ water distribution system, financial information provided indicates an average annual operating cost of approximately $100,000 for the Joint Water System. It is noted that this figure does not include extraordinary maintenance items such as the sand filtration system special maintenance, nor does it include an annual reserve of approximately $12,000, which is being set aside by both communities to meet the cost of this special maintenance item, which occurs on a three-year cycle.

The facilitator indicated that his inspection and review has revealed a good water treatment system, which is providing a secure and safe water supply to the two communities from its source on Two Mile Creek. Maintenance, Inspections and testing are undertaken on a regular basis and the water quality is meeting provincial health standards.

The Hazelton Sewer System, which provides sewer collection, treatment and disposal for the residents of the two communities, is also a sound system, meeting environmental standards and is designed to meet the needs of the two communities for the next ten-year period. This system is fully owned, maintained and operated by the Village at their cost. No extraordinary maintenance or capital improvements have been required under the current agreement, although it was noted by the Village that some major maintenance will be required for the aeration ponds and for the blower system in coming years. The current cost of operation, maintenance and administration of the sewer system is estimated at approximately $60,000 per annum, including a reserve of $12,000 for major maintenance items in future years. This reserve is related to the maintenance of the sand filter systems for the water treatment facility and has been combined with the sewer costs for the purposes of this review.
Current Cost Sharing Arrangements:

A major consideration in the review of the current Agreement is the concern that both parties to the Agreement are being treated fairly and that the costs of operation, maintenance and administration of the Joint Water System and the Sewer System are being shared in an equitable manner.

The consultant indicated that his review has revealed at least five (5) different allocation formulae, either included within the current document, or directly related thereto. For example, the current Agreement contains two (2) specific provisions, plus Dayton & Knights estimates as setout below:

- **Section 8.3 - Proportional Ownership**
  (for the sole purpose of new capital funding)  
  - Hazelton - 25.00% & Gitanmaax - 75.00%

- **Section 6.2 - Connection Equivalent**
  (basis for maintenance costs in 1995 and to be reviewed annually)  
  - Hazelton - 57.26% & Gitanmaax - 42.79%

- **Updated estimate under Section 6.2**
  (Consultant’s calculations)  
  - Hazelton - 42.33% & Gitanmaax - 57.67%

- **Dayton & Knight Engineering Report**
  (Water Supply, Treatment, Storage & Distribution Report - 2004)  
  - Hazelton - 30.00% & Gitanmaax - 70.00%

- **Current sharing of extraordinary items**
  (As confirmed by the 2 Administrators)  
  - Hazelton - 50.00% & Gitanmaax - 50.00%

Based on the current number of residential connections for each utility service, (see Section 10 of attached Appendix “C”) the actual costs paid per connection by each community varies by only $1.88 and varies by $20.47 on a per capita calculation. While these calculations do not represent a final cost allocation methodology, they do reveal, in the opinion of the consultant, that the operation and maintenance costs of the two systems are currently being reasonably shared between the Village of Hazelton and the Gitanmaax First Nation. Residents of both communities are receiving a good quality domestic water supply and are also serviced by an efficient sewerage collection, treatment and disposal system.

It is further noted that the two parties are currently sharing the costs of extraordinary maintenance items, such as the major maintenance of the Sand Filtration system in the Water Treatment Plant every few years, on a 50% - 50% basis. This is currently considered fair and reasonable by both communities and is recommended as a starting point for future major maintenance and capital cost sharing until a new formula is established by mutual agreement of the two parties.

The representatives of both communities agreed that the analysis indicates a relatively fair allocation of costs with both sides receiving benefit for the costs being incurred.

5. **Other Opportunities for Collaboration**

A number of issues were identified and are recorded below in random order and does not represent any order of priority:

1. **Fetal Alcohol Syndrome (FAS)** – This was identified as a priority area for both communities, with an excessive number of individuals suffering from FAS. National statistics indicate 2 or 3 individuals per thousand, while in the Northwest area of B.C. this
number is as high as 1 in 30. Opportunities under consideration included an FAS community awareness campaign and a conference on the issue to be held in the spring of 2005.

II. **Swimming Pool Facility** – The need for a swimming pool facility within the community for recreation and therapy purposes, but the parties recognize the potentially excessive maintenance costs associated with a pool which may be cost prohibitive.

III. **Arena Upgrades** – The non-profit Arena Society is providing a low-cost recreation facility to the two communities with a very low operating cost. A number of significant upgrades are now required and this is a project of interest to both communities. Water leakage from the existing piping system was identified as a significant problem that must be addressed.

IV. **Outdoor Skating Rink Lighting** – In recent years, the communities have built an outdoor skating rink, which has been of great benefit to the communities. The need to provide additional lighting is a project of mutual interest.

V. **Hospital** – Continuing support for this critical local facility.

VI. **Fire Departments** – The two communities operate their own fire volunteer fire departments, which operate with a common pool of volunteer firemen. The need for new equipment for the Hazelton firehall was identified as a current priority and the purchase should be coordinated with both departments to ensure appropriate equipment is available to serve the community.

VII. **Vandalism and Breaking & Entering** – A continuing problem, which requires a coordinated approach with the local detachment of the RCMP.

VIII. **Emergency Preparedness Plans** – The Gitanyow First Nation has received funding for an Emergency Plan and a consultant has been retained. Subsequently, the Village has also received financial support through the UBCM for a Village Emergency Plan. The Village has retained the same consultant and the need for coordination in the development of the two plans was identified to ensure the final plans are complimentary to each other and benefit the entire area. The need for inter-community agency coordination will be mandatory.

IX. **Suicide Intervention Counseling** – The need for access to counseling was identified as a significant issue and is supported by both communities. It was noted that the local RCMP have a trained officer in New Town.

X. **Regional “911” Service** – A new project is now underway and it was suggested that this function could be considered for some form of linkage to an intervention counseling service.

XI. **New Walking Path** – Both communities noted the successful walking path project adjacent to the Highway through the communities and the support of all government agencies towards the completion of this project. The development of a cooperative maintenance program was identified as a project of interest to all parties.

XII. **Dyking Project** – The need for extension of the dyke to protect Gitanyow lands is a current issue and under consideration by Gitanyow. The Village supports the completion of the dyking to protect the entire area and Gitanyow noted the need for a vehicle access across a new dyke to provide boat access to the river.
XIII. ‘Ksan Historic Village – The ‘Ksan Village is recognized as a significant tourism attraction in the North West area of the Province and has been successful in attracting tourists to the Hazelton/Gitanmaax area. Both communities agreed to continue to actively promote the village as an economic generator for the area.

It was agreed that a number of important issues have been identified and are supported by both communities. The parties agreed that there is a need to coordinate the approach on these projects to ensure maximum benefit and cost savings to both communities.

6. Recommendations and Future Directions:

Joint Water & Sewer System:

The two parties indicated the need for better oversight of the two utility systems, more efficient and effective operation and maintenance practices and the need to ensure that the costs of the two systems are paid in a fair and equitable manner in the future. To achieve these goals the following actions were recommended:

- That the parties formally establish the Joint Management Committee recommended in Section 4.1 of the Agreement and be comprised of the following members:
  - One (1) elected representative from each community
  - One (1) appointed representative from each community being the Chief Administrative Officer of the Village of Hazelton and the Executive Director of the Gitanmaax First Nation
  - The Gitksan Government Commission be requested to allow Tony Siebert, GGC Advisor, to sit as a technical advisor on the Joint Management Committee.

- That the Joint Management Committee review operating and maintenance costs and the formula for the sharing of costs on an annual basis to ensure fairness and equity in the allocation of costs for the Joint Water and the Sewer systems. This was identified as a high priority requirement for the new committee.

- That the Committee recommend to the two Councils on the operation, maintenance and administration of the two systems and on the budget requirements including major maintenance and capital improvements to the two systems.

- That the Committee ensure adequate training and certification of the operators of the systems and the safety of the systems.

- That the Committee ensure that adequate insurance coverage is provided by the parties and include third party liability coverage.

- It is recommended that the Committee meet at least twice in each calendar year to ensure proper administration of the Joint Water & Sewer Agreement.
Other Issues:

- It is recommended that the two (2) Councils meet together twice each year to continue to strengthen the relationship between the two Councils and their administration and to ensure communication and cooperation on issues of mutual benefit.

- That a Protocol on Communication and Cooperation be signed between the two Councils. Sample attached.

- That a Media Release be considered by the two Councils to report on the meetings and the level of support between the two communities. Sample attached.

- That a Memorandum of Understanding be developed to govern the administration of the Joint Water and Sewer Agreement.

- That the Village of Hazelton and the Gitanmaax First Nation continue to work together for the mutual benefit of the residents of the two communities.

7. Financial Summary – Appendix “D” Attached

8. Conclusion

The Gitanmaax First Nation and the Village of Hazelton expressed their appreciation for the session and committed to complete a formal Memorandum of Understanding to cover the future operation, maintenance, administration and the future improvements of the Joint Water and Sewer Utility Services.

They further expressed the desire to continue to work together on the other issues identified to maximize the benefits to the residents of both communities.

APPENDICES: (available from UBCM upon request)

Appendix “A” - Forum Agenda
Appendix “B” - Statement of Purpose and Goals
Appendix “C” - Minutes of Forum
Appendix “D” - Financial Statement
Appendix “E” - Draft Media Release
Appendix “F” - Draft Protocol of Cooperation and Communication
Appendix “G” - Draft Memorandum of Understanding