

REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION MEETING OF TUESDAY, 2 JUNE 2009

SUBJECT

SEAGIRT IMPROVEMENT DISTRICT - GRANT APPLICATION

PURPOSE

To present options for the possible takeover of the Seagirt water system by the Capital Regional District (CRD).

BACKGROUND

Seagirt Improvement District is a water system serving 88 lots in East Sooke, as shown on the attached plan. Bulk water is purchased from the CRD water system through a metered connection. Over the past 15 years there have been several requests from Seagirt requesting that CRD take over the ownership and operation of the system. The CRD position has been that, in order for us to do this, the system must first be brought up to our standards, so that existing customers are not burdened with the estimated \$900,000 of upgrading expenses.

After an informal petition in November 2006 confirmed that the majority of residents wished to see the system upgraded and taken over by CRD, the CRD applied to the Province for an Infrastructure Grant on their behalf. In April of 2008, the CRD was advised that this grant application was not successful.

In March 2009, the CRD received a new request to apply for a grant for this project and re-activate the request to take over the system. Staff submitted an interim grant application under the Building Canada Fund, which requires a resolution of support from the Commission to proceed further.

ALTERNATIVES

Alternative 1. Approve proceeding with the application.

Alternative 2. Do not approve proceeding with the application.

FINANCIAL IMPLICATIONS

Alternative 1.

If the grant application is successful, the grant would cover two-thirds of the estimated upgrade cost of \$900,000. The remaining \$300,000 would be borrowed by the CRD and repaid by the owners of lots within the Seagirt service area.

Alternative 2.

No financial implications.

RECOMMENDATION

That the Juan de Fuca Water Distribution Commission authorize staff to proceed with the grant application, following receipt of a letter from the Seagirt Water Service committee stating that they agree to pay one-third of the costs of upgrading the system.

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