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**REPORT TO MAGIC LAKE ESTATES WATER AND SEWER LOCAL SERVICES
COMMITTEE
MEETING OF TUESDAY, APRIL 14, 2015**

**SUBJECT WASTEWATER INFRASTRUCTURE RENEWAL PROJECT – REFERENDUM
AND NEXT STEPS UPDATE NO. 2**

ISSUE

To provide an update on the Referendum process and the next steps required to advance to the Magic Lakes Estates wastewater infrastructure renewal project.

BACKGROUND

At the March 10, 2015 Magic Lake Estates Water and Sewer Local Services Committee (committee) meeting, the motion for a 20-year amortization period for the loan authorization was approved.

Since that meeting, comments from the committee were incorporated in the community notice, which was finalized and included with the April water bill (only to customers in the sewer service area). A copy of the Notice is included as Appendix A.

On April 8, 2015, the Capital Regional District Board approved the Referendum question as follows:

*Are you in favour of the Capital Regional District (CRD) Board adopting Bylaw No.4008, "Magic Lake Estates Wastewater System Loan Authorization Bylaw No. 1, 2015", authorizing the Capital Regional District to borrow an amount up to but not to exceed SIX MILLION FIFTY THOUSAND DOLLARS (\$6,050,000) for the purpose of administering, planning, designing, acquiring and constructing the capital renewal and upgrade of the Magic Lake Estates Wastewater System.
YES or NO?*

PROGRESS – NEXT STEPS IN THE PROCESS

- | | |
|---|-------------------------------------|
| 1. Confirm a loan amortization period (20 year selected) | Feb. 10 (complete) |
| 2. CRD Board approval of 1 st , 2 nd & 3 rd readings – Loan Authorization Bylaw. | Feb. 11 (complete) |
| 3. Send Loan Authorization Bylaw to Inspector of Municipalities (4-6 weeks) | Mar. 3 (complete) |
| 4. Submit New Building Canada – Small Communities Fund Grant Application | Feb. 18 (complete) |
| 5. Approval of Town Hall meeting (Venue to be determined) | Mar. 10 (complete) |
| 6. CRD Board to establish Referendum question, polls & Election Officer | Mar. 11 Apr 8 (complete) |
| 7. Prepare Mail-out to include with water bill – Notice | Apr. 3 Apr 9 (complete) |
| 8. Based Referendum date of June 27 – Approval of Inspector of Municipalities | Apr. 6 (sent for approval) |
| 9. Prepare PowerPoint Presentation for May 14 Committee Meeting | May 14 |

PROGRESS – NEXT STEPS IN THE PROCESS

- | | |
|---|-----------------|
| 10. Proposed 2nd Open House | June 6 |
| 11. Advertise official notices prior to Referendum | Apr. - May |
| 12. Advance voting | Jun 18 & Jun 25 |
| 13. Referendum Voting Day | Jun. 27 |
| 14. Board receives Referendum results and, if successful, adopts bylaws | Jul. 8 |
| 15. 30-day quashing period ends | Aug. 8 |
| 16. Apply for Certificate of Approval | Aug. 10 |
| 17. Potential announcement of New Building Canada Fund Grant | Fall 2015 |
| 18. Secure initial draw on MFA Loan | October |

ALTERNATIVES

Alternative 1

That the Magic Lake Estates Water and Sewer Local Services Committee receive this report for information.

Alternative 2

That the Magic Lake Estates Water and Sewer Local Services Committee request additional information from staff.

IMPLICATIONS

Alternative 1

Progress through the administrative requirements of the Referendum are on schedule with some minor changes.

Alternative 2

If the committee requires additional information, this can be provided at the meeting May 12, 2015.

CONCLUSION

The Referendum for the proposed infrastructure replacement project is on schedule with preparation for the Town Hall meeting the next item on the list.

RECOMMENDATION

That the Magic Lake Estates Water and Sewer Local Services Committee receive this report for information.

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Planning

Peter Sparanese, P.Eng.
Senior Manager, Infrastructure
Engineering & Operations
Concurrence

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CG:ls:
Attachments: Appendix A: Community Notice

April 3, 2015

Community Notice

Magic Lake Estates Wastewater Infrastructure Replacement

Approval of Loan Amortization Period

The Magic Lake Estates Water and Sewer Local Services Area Committee met on February 10, 2015 and approved a 20-year loan amortization period for the Wastewater Infrastructure Replacement project. The 20-year loan period was chosen to find a balance between affordability, equipment life cycle and future infrastructure improvements.

The 20-year loan authorization period may ultimately result in an additional estimated Parcel Tax of \$761, based on borrowing up to \$6.05M for the project. The actual Parcel Tax will be increased based on the amount borrowed and the interest rate at time of borrowing. The interest rate may also change each time the loan is refinanced (approximately every 10 years).

Understanding the User Charge & Parcel Tax

The Operating Costs are recovered by the User Charge and Parcel Tax. Following the determination of the User Charge, the remaining Operating Costs are included in the Parcel Tax. The inclusion of Operating costs in the Parcel Tax provides a reliable source of revenue and equitably funds the remaining costs over a larger number of taxable folios (714) versus single family equivalency (621). The parcel tax also includes a transfer to Reserve for Capital work and any future debt.

The 2014 Parcel Tax was \$415 and is comprised of: Operating Costs (\$319); transfer to Reserve (\$80); and Debt (\$16). In 2015, the Parcel Tax was held at \$415, as it was recognized that additional funds were required for the project.

Town Hall Meeting and Referendum

A Town Hall Meeting will be held June 6. The Committee wishes to ensure property owners have a good understanding of the issues, as well as, the opportunity to ask questions. The Referendum date of June 27, 2015 has been established to seek approval of the electorate (i.e. property owners and residents in the Sewer Service Area) for loan authorization to borrowing up to \$6.05M for the project.

If you have any further questions or concerns, please contact Craig Gottfred, P. Eng. at 250.474.9620 or through email at cgottfred@crd.bc.ca or visit www.crd.bc.ca/magiclake-sewer to visit the project page.

