

MEETING WITH RDN
October 13/2006 2:30- RDN Boardroom

Present:

RDN: Wayne Moorman, Manager Engineering Services
George Holme, Area E Director
Frank van Eynde, Alternate

NNRA: Kirke MacMillan, President
Bob de Buysscher, Director

NNRA Water & Waste Committee:

Ryan Pettersen, Chairman
Martyn Green, Assistant Chairman

Purpose of the meeting:

- To discuss sewers for the residents of the NNRA.
- Cost of RDN administration costs, project financing costs, referendum/petition costs and capital charges.
- Discuss likelihood of obtaining Federal/Provincial Infrastructure grants similar to Barclay Crescent.
- Develop timetable for RDN to conduct a petition to determine what the support is to proceed with sewers if grants are not available.
- Discuss financing costs & options including amortization periods for project.

Barclay Crescent has 236 residents that recently were hooked up on sewers to French Creek. The residents were sent a petition with 53% acceptance. They did not receive a grant for the capital charges but did receive a 2/3rds Federal/Provincial Infrastructure grant for construction, engineering and other "approved" project costs (approved costs were determined by the Prov/Feds after reviewing the application).

The Craig Bay Sewer Agreement of May 1996 signed by the RDN & the city of Parksville states that the properties in Madrona Category B lands serviced by RDN water (actual area for connection is determined in Schedule A map appended to the agreement) can hook up to Parksville sewers serviced by the French Creek Treatment Plant. All latecomer fees to Craig Bay Estates and Pacific Shores have now expired.

There are some concerns that Parksville may want us to join them if we get sewers. Wayne will write a letter to them asking if they have plans to try to get us to join the city of Parksville but says they are not in an expansion mode at this time.

We asked the question on whether we should be considering going to the treatment plant at Fairwinds? Wayne said the enlarged sewer pipe is at Pacific Shores and the agreement is in place with the City of Parksville to be service by the plant at French Creek. The sewer line to Schooner Cove is years away (possibly decades) so it makes sense to get on with hooking up to French Creek.

Wayne told us that the current costs would be as follows:

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|---------------------|---|
| \$16,183 | Approximate Current Construction Costs. |
| \$ 1,800 | Capital Costs |
| \$ 2,000 to \$4,000 | On-site Connection to sewers (RDN would take the line to each property) |
| \$ 400 | Building permit (amount in Bylaw at this time) |
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| \$22,200 | Per Property total with administration costs, petition costs, advertising, etc. |

Assuming RDN finance all of it the annual cost they would be:

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|---------|---|
| \$2265 | (\$1,810 + \$455 operating costs) per lot for 15 yrs. |
| \$1,995 | per lot for 20 years. |
| \$1,840 | per lot for 25 years. |

If the owner wanted to pay off they would have one chance at the beginning to pay \$17,000 approximate construction cost plus a one time capital charge of \$1,800 for a total of \$18,800.

There would also be the site construction costs on their lot which is not covered in the RDN financing cost (each property owner is responsible for his own on-site costs and financing). The RDN borrowing financing will be locked in generally for 20 years.

The petition is one page that would go out to all property owners and would include. An estimate of the parcel, the Capital charge, legal description, and if a couple was on the title both would have to sign yes or no.

We would have to have 51% of the petitioned area signing making up 51% of the assessed property values.

Next steps:

- Have public meetings to give the information to our residents and answer their questions.
- Meet with Glen Gibson the Health Inspector to find out how many systems have failed in the last few years.
- Have the RDN post information on their website.

- When we have the majority of our residents wanting sewers send out the Petition for acceptance.

It was further agreed that the RDN would do the following:

1. Discuss with the City of Parksville if they foresee any other costs to Madrona imposed by the City (see Agreement May 27, 1996, section 3.1 (c) and resolution No. 95/607.
2. See if we can release the Nancy Avery Memorandum dated Sept. 27, 2006 on Madrona Sewer Servicing financing to the NNRA (this was done and the information forwarded to the NNRA)
3. Determine the potential cost increase from 2007 dollars to 2008 dollars (note the figure of \$5,130,000 as the construction cost and from the Koers report is based on 2007 dollars, which was 10% higher than the 2006 value; we can assume at this time that the cost in 2008 dollars may be 10% higher than 2007 (and thus \$5,643,000 in 2008 dollars.)
4. The RDN will supply a sample of the petition used for the Barclay Crescent sewer project to the NNRA. (this was done and forwarded to the NNRA)

Meeting adjourned at 3:30 pm