



## ENVIRONMENTAL SERVICES

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April 15, 2010

Dear Sir or Madam:

**Re: Fintry Water Utility  
Petition to the Regional District to Acquire, Operate & Maintain**

The Regional District of Central Okanagan has been approached by a handful of property owners from the Fintry-Delta subdivision to create a service area to acquire, operate & maintain the Fintry Utilities Water System.

### **Public Meeting**

Following the deadline for the receipt of petitions (May 31<sup>st</sup>, 2010), a public meeting will be held on **Thursday June 10<sup>th</sup>, 2010 at 7:00pm** at the **Killiney Beach Community Hall** to discuss the petition results.

### **System Evaluation**

It is our experience that it is prudent to first investigate and determine the potential upgrades and/or risks that the Regional District may encounter with the acquisition of an existing utility system.

For this reason, CTQ Consulting Engineers were put to task and have developed a list of required upgrades that would be required if your water system, as a stand-alone system, was to be acquired, operated and maintained by the Regional District. This list and associated costs is a maximum, which could be significantly reduced should your water system be consolidated with the new Upper Fintry / Shalal Road / Valley of the Sun water system.

Table #1 identifies the cost comparison between the stand-alone and consolidated scenarios. The letter of petition (enclosed) is written per the consultant's report and cost estimate, as at this point, the actual costs to construct the new water system and inter-connect it with your existing system will not be final until completion of the overall project.

### **Benefits of belonging to a Regional District Utility**

Regional District Employees are available 24 hrs/day to ensure that the water provided meets or exceeds provincial and local health standards and expectations for safety, reliability and quality.

Benefits include:

- safe, reliable and closely monitored water quality
- certified operators
- 24/7 remote monitoring of system performance
- sufficient storage volumes for fire and maximum day demands

- efficiencies realized by shared administration and operations with five other RDCO utility systems.

### **Petition**

In order for the Regional District to provide water by means of a service area, the Local Government Act requires that a sufficient petition is received from the property owners. A sufficient petition must meet the following criteria:

- (a) must be signed by at least 50% of the owners of the parcels liable to be charged for the proposed service, and
- (b) must be signed by a sufficient number of owners of parcels liable to be charged for the proposed service that the total value of their parcels represents at least 50% of the net taxable value of all land and improvements within the proposed service area.

If you are **in favour** of the proposed water system, we will require that all petitions are signed by all property owners, witnessed and dated, and returned to this office no later than **May 31<sup>st</sup>, 2010**. Please ensure that if the property is jointly owned, that both property owners sign the petition.

If you feel that the service is not required, for our records please return the petition to our office with "NO" written across the page. It is imperative that all properties are accounted for, and we will follow up with any property owner who has not responded by May 31<sup>st</sup>, 2010.

### **IF THE PETITION FAILS:**

Then the system will continue to be owned and operated by Fintry Utilities. It is important to note that Interior Health is in the process of implementing new policies and procedures to bring all water systems (public and private) up to current Health Canada standards by 2015, and Fintry Utilities will be required to implement a number of the items listed on Table #1. Fintry Utilities, being a private system, is not eligible for Government Grants nor able to amortize the possible debt on your property taxes. And, future costs to join the new system after it's in place will be considerably higher than if we were to incorporate Fintry utility project with the new water system project at this time, due to the lost economies of scale and the system adjustments that would need to be made.

### **IF THE PETITION PASSES:**

#### **Capital Costs (either one-time only fee OR taxes for 20 yrs)**

Upon receipt of the sufficient petition the Regional District would consolidate the Fintry Utility System repair and upgrade project with the Upper Fintry/Shalal Road/Valley of the Sun water project. By combining the two infrastructure projects, the property owners in your subdivision would benefit significantly and the costs could be reduced to an estimated \$6,100 per parcel.

The maximum cost to repair and upgrade the water system to meet Regional and Provincial requirements for domestic use and fire protection is estimated to be approximately \$1,135,300. This equates to \$10,710 per parcel.

Each property owner will be given the option to either commute the cost by making a one time lump sum payment in full, or have the amount added to their annual property taxes and amortized over a period of twenty years.

**SEE Tables on page 4**

Table # 1 Fintry Acquisition & Upgrade Project, and

Table # 2 Upper Fintry / Shalal Road / Valley of the Sun Water Infrastructure Project

The Regional District will make every effort to gain financial support from higher levels of government. Periodically, government funding for utility and community improvement projects comes available, and we assure you that for every potential opportunity we will be submitting a request for this assistance on your behalf.

Upon completion of the water improvement projects you will be notified of the ACTUAL COSTS and invoiced your per parcel share. Any accounts left un-paid by the dead line date (anticipated for end of 2011 or early 2012) will be automatically added to your property taxes and amortized over a period of twenty years.

**User and Maintenance Fees (utility fees)**

In addition to the capital cost there will be user and maintenance fees, collected semi-annually through our utility billing system. The user fees will apply to only those parcels physically connected to the water system and charged on actual use as per the meter readings, whereas the maintenance fee is a flat fee which will apply to all properties including vacant lands. We estimate the user fee to be on average \$300.00 per year (use will be metered and user fee will be dependant on amount consumed). The maintenance fee will be approximately \$200.00 per year.

The Regional District currently operates five other water systems. Our rates vary from one system to the next depending on the size of the system and number of users. The total annual user and maintenance fees currently charged on these other systems vary between \$376 and \$1,104 per parcel.

Should you have any questions, please feel free to call our office at 250-469-6241.

Yours truly,

Delphine Maja  
Sr. Engineering Technologist

**Table # 1 Fintry Acquisition & Upgrade Project:**

<b>Fintry Utility Proposed Capital Budget</b>		
<b>Description</b>	<b>Stand-Alone Requirements</b>	<b>Consolidate with UF/SR/VOS</b>
Lake Intake (repair & upgrade)	\$10,000	\$0
Magnetic Flow Meter & Pump Meter	\$12,500	\$0
2nd PulaFeeder Chlorine Metering Pump	\$1,200	\$0
Turbidimeter	\$5,500	\$0
Electrical Box (upgrade to 200 amp)	\$5,000	\$0
Electrical Sundry Items	\$1,000	\$0
Distribution System (minor repairs & upgrade Morden Rd pipe to 150mm)	\$55,000	\$55,000
Hydrants (replace all, + 2 new w/150mm)	\$33,600	\$33,600
Service Meters	\$41,500	\$41,500
Pump-House Generator	\$20,000	\$0
New 540 m3 Reservoir	\$270,000	\$0
UV Disinfection System	\$65,000	\$0
Filtration Treatment System	\$400,000	\$0
SCADA Communications System	\$15,000	\$0
Pressure Reducing Station	\$30,000	\$30,000
Hydro 3 Phase Power Service	\$170,000	\$0
Share into New Water System (wells and reservoir capacity)	\$0	\$486,301
<b>Total Estimated Capital Cost</b>	<b>\$1,135,300</b>	<b>\$646,401</b>
# Parcels in Service Area	106	106
<b>Capital Cost /Parcel</b>	<b>\$10,710</b>	<b>\$6,098</b>
If Left Unpaid and added to Annual Property Taxes:		
Amortization (# years of debt)	20	20
Interest Rate (Estimated)	6%	6%
Annual Tax /Parcel	\$921	\$524

**Table # 2 Upper Fintry / Shalal Road / Valley of the Sun Water Infrastructure Project:**

<b>Upper Fintry/ShalalRoad / Valley of the Sun Water System Proposed Capital Budget</b>				
<b>Description</b>		<b>UF/SR/VOS</b>	<b>Consolidated</b>	
			<b>Fintry</b>	<b>UF/SR/VOS</b>
Domestic Distribution System - Upper Fintry / Shalal Rd		\$772,350		\$772,350
Domestic Distribution System - Valley of the Sun		\$675,275		\$675,275
Tranmission Mains		\$752,400		\$752,400
Groundwater Well Development (2 well 26 L/s capacity ea)		\$850,000	\$201,566	\$648,434
System In-Line Booster Station		\$445,000		\$445,000
Reservoirs (+ Fire Storage Capacity)		\$546,000	\$129,477	\$416,523
<b>Subtotal , Construction Cost Estimate</b>		<b>\$4,041,025</b>	<b>\$331,043</b>	<b>\$3,709,982</b>
Engineering 10%	10%	\$404,103	\$33,104	\$370,998
Contingency 20%	20%	\$808,205	\$66,209	\$741,996
<b>TOTAL CAPITAL COST</b>		<b>\$5,253,333</b>	<b>\$430,355</b>	<b>\$4,822,977</b>
<b>Interim Project Financing</b>	10%	\$525,333	\$43,036	\$482,298
<b>RDCO Administrative Fee</b>	3%	\$157,600	\$12,911	\$144,689
<b>TOTAL PROJECT COST</b>		<b>\$5,936,266</b>	<b>\$486,301</b>	<b>\$5,449,964</b>
<b>Number of Single Family Units</b>		<b>341</b>	<b>106</b>	<b>341</b>
<b>Cost per Single Family Unit</b>		<b>\$17,408</b>	<b>\$4,588</b>	<b>\$15,982</b>