



Environmental Services

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May 13, 2010
File No. 5600-20-15A

Dear Property Owner:

**Re: Upper Fintry / Shalal Road / Valley of the Sun
Water System Service Area Infrastructure Project
Status Update May 2010**

We are in the DESIGN PHASE (2010) and preparing to complete design of the Distribution Systems, the Pump House, and the Booster Stations and Reservoirs.

Project Summary (to date)

After a successful petition in January 2009, the Water Project was approved to proceed by the BC Inspector of Municipalities and the Regional Board in July 2009, at a cost not to exceed \$17,500 per parcel.

In September 2009 we advertised for a Civil Engineer to complete the Pre-Design, which included identifying the primary water source and pipeline routing, and in October 2009 True Consulting Group of Kelowna BC began this work.

In March and April 2010, the water source was confirmed to be wells located at 334 Morden Road in the Fintry-Delta. The two deep groundwater wells, which are deemed to not be under the direct influence of surface water, meet and exceed our requirements for quantity and quality.

The **Pre-Design Study** and the **Hydro Geotechnical Report** for the Groundwater Wells are available for viewing at regionaldistrict.com in the “Environmental Services” web pages under “Projects & Studies” then “Current Projects”.

OR:

http://www.regionaldistrict.com/departments/engineering/engineering_projects_1.aspx

Timing & Schedule

Although slight delays were encountered during the administration phases in 2009, the schedule is broad and we anticipate the water system will be operational before the end of October 2011.

**Project Tasks
& Proposed Schedule**

PLANNING & APPROVALS PHASE (2009)

1. Received Request for Water Service
2. Identified Project Boundary (Service Area)
3. Identified Project Tasks
4. Set Capital Budget (\$5.9 Million)
5. Applied for (& received) Towns for Tomorrow Grant (\$400,000)
6. Circulated Petition
7. Adopted Service Area Bylaws
8. Commenced with Preliminary Design
 - o Investigated Possible Water Sources
 - o Investigated Properties & Routing



DESIGN PHASE (2010)

9. Acquire Lands / Statutory Rights-of-way
10. Design
 - o Distribution Systems
 - o Pump House
 - o Booster Stations & Reservoirs



CONSTRUCTION PHASE (2011)

11. Construct
 - o Distribution Systems
 - o Pump House
 - o Booster Stations & Reservoirs
12. Quality Assurance Testing & Inspections
13. COMMISSION WATER SYSTEM
14. File Record Drawings

The wells are drilled, the land and right-of-way negotiations are nearing completion, and the routing of the distribution and transmissions mains is being finalized.

Currently, Regional District staff is accepting proposals from qualified Engineering firms to oversee the final phases of the project, including the construction and commissioning of the new utility.

Budget & Capital Costs

The initial capital cost to design and build the new water system was estimated to not exceed \$17,500/parcel. The budget, created in January 2009, has been reviewed and is still applicable in today's economy.

Upper Fintry/Shalal Road / Valley of the Sun Water System Proposed Capital Budget		
Description	Estimated Cost	
Domestic Distribution System - Upper Fintry / Shalal Rd	\$772,350	
Domestic Distribution System - Valley of the Sun	\$675,275	
Transmission Mains	\$752,400	
Groundwater Well Development (2 well 26 L/s capacity ea)	\$850,000	
System In-Line Booster Station	\$445,000	
Reservoirs (+ Fire Storage Capacity)	\$546,000	
Subtotal , Construction Cost Estimate	\$4,041,025	
Engineering 10%	10%	\$404,103
Contingency 20%	20%	\$808,205
TOTAL CAPITAL COST		\$5,253,333
Interim Project Financing	10%	\$525,333
RDCO Administrative Fee	3%	\$157,600
TOTAL PROJECT COST		\$5,936,266
<i>Towns for Tomorrow Grant</i>		-400,000
Revised Total		\$5,536,266
<i>Number of Single Family Units</i>		341
Cost per Single Family Unit		\$16,235

In March 2009, Towns for Tomorrow funding in the amount of \$400,000 was received from the BC Government, reducing the Estimated Capital Cost to \$16,325/parcel.

A 2009 application through the Canada Infrastructure Grant Program was not successful.

The RDCO will continue to make every effort to secure further government funding when the opportunities become available.

Upon completion of the project , the actual capital expenses will be tallied and invoices will be mailed to all Property Owners with parcels within the Service Area. You will have the choice of payment option:

- One-Time Only Lump Sum Payment; or
- Annual Property Taxes.

Please note each property within the Service Area will equally share in the total project costs. If you opt to not make the lump sum payment by the deadline your share of the debt will automatically be charged to your annual property taxes and amortized over a period of 30 years, with interest.

It is expected that if the project continues as planned and per schedule that the deadline for lump sum payments will be **January 15th 2012**.

Maintenance Fees

After commissioning the new water system maintenance fees become effective and will be charged on all properties within the Service Area, including vacant properties. These fees will be set aside to finance the infrastructure replacement reserve fund.

At this time we expect the maintenance fee to be similar to that currently charged in other Regional District Water Systems, currently \$200 per parcel per year. However, this final rate is subject to Regional Board approval.

User Fees

The day you connect your home to the new water system user fees become effective. User fees finance the annual operation of the water system, and are typically re-assessed at the end of each fiscal year. Currently the annual operating budgets of the other Regional District water systems are derived from 'last years' expenses plus an inflation allowance.

With the implementation of the Regional Metering Program the user fees are expected to become consumption based.

Connections

The infrastructure project will provide each property with one residential sized water service, located at the property line. It will be the responsibility of each property owner to:

- obtain a permit for connection from the Regional District
- install, or hire excavator/contractor to install, water service on their property and connect dwelling
- pay all Connection Costs:

1. Application Fee\$200 2. Meter Fee.....\$440 3. Building Permit Fee.....\$150 4. <u>Inspection Surcharge Refund</u>- \$50 Subtotal.....\$740	<u>PLUS</u>	All on-site costs to bring water service on the property and connect your home/building.
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Following substantial completion of the project, a notice will be issued to residents and property owners letting them know when applications for connections will start to be received.

Each connection to the new water system must be to a permanent structure as per the Zoning Bylaw, and a building permit as per the Building Bylaw. Permits are to be applied for at the Regional District Office located at 1450 KLO Road, Kelowna BC.

Water Meters

Water Meters are a tool for measuring the demand for treated water,

- Provide a fair and equitable User Pay system,
- Provide for tighter Leak detection measures,
- Encourage Reduced Water Usage which Reduces Operation & Maintenance Costs.



Every connection will require a water meter, which comes fitted with automated devices that allow for remote meter reading. Beginning in 2007, in conjunction with the Westside Joint Water Use Committee, the Regional District has required water meters to be installed in all homes connected to a Regional water system. Water meters are obtained through the Regional District when the building permit is issued for your water connection.

Frequently Asked Questions

1. Is the Fintry-Delta neighborhood joining the Service Area?

A petition is currently being circulated among the property owners of the Fintry-Delta for the Regional District to acquire the privately owned domestic water utility. If the vote is Yes, these property owners will help to offset the costs for the wells and pump house plus buy into the extra reservoir capacity required for fire flows. The timing of the Upper Fintry / Shalal Rd / Valley of the Sun water system infrastructure project should not be affected.

2. Are the properties bordering on Westside Road land-locked? And, are they still part of the Water System Service Area?

In 2009 the Regional District sent out notices to these 30+ property owners indicating that their (assumed) access off Dunwaters Road is not legal. This notice does not mean access off Westside Road would also be denied. Access permits are issued by the Ministry of Transportation (MOT) after building permits have been applied for.

These properties will remain in the service area unless it is confirmed by the MOT that the property is land-locked. The MOT considers each application for access independently and considers such items as sight-lines, proximity to intersections and other points of access prior to issuing permits.

In closing, we wish to remind everyone that our website at regionaldistrict.com is always open and updates will be posted as we progress through Design, Construction and Commissioning of your new water system.

Yours truly,

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