



# PAYMENT OPTIONS For Sewer Collection

The capital costs for a sanitary sewer collection system are usually distributed evenly amongst the parcels in the area being serviced. As an example, if the capital costs were \$1,470,000.00 for the entire project and there were 196 parcels being serviced, your share of the capital costs would be \$7,500.00. There are two options available for paying your share of the capital cost of constructing a sanitary sewer collection system in your neighbourhood.

The options you have for payment are as follows:

## 1. Payment in Full

After a sewer project is completed and your share of the capital costs has been established, the Regional District will notify you of the pre-payment date. At any time prior to the pre-payment date you can make a one time lump sum payment of your share of the capital costs. Due to the provisions of the Local Government Act the Regional District cannot accept partial payments of your share of the capital costs at that time.

If you do not have sufficient funds on hand to make the entire lump sum payment to the Regional District prior to the pre-payment date, you may wish to make arrangements with your financial institution, or a private individual, to borrow some or all of those funds. The Regional District borrows money for sewer projects from the Municipal Finance Authority and amortizes the debt over twenty years. You may find that financing your share of the capital costs over a shorter term through your financial institution, or a private individual, will result in a lower interest rate and more flexibility to pay off the balance at any time.

You could also explore the possibility of restructuring or extending an existing mortgage, which may result in little or no change to your existing monthly payments.

## 2. Payment by Debt Servicing Fee

You can finance your share of the capital costs through the Regional District and pay a debt servicing fee for a period of twenty years. The debt servicing fee would appear each year on your January utility bill and you would have to make payment by December 15th of that year. Any portion not paid by the end of each year will appear on your next years property tax notice with penalties and interest applied.

The Regional District will likely refinance the debt after ten years. At that time you would have the option to pay off the balance of your share of the debt or carry on paying the annual debt servicing fee, probably at a new interest rate.