



## NORTH SALT SPRING WATERWORKS TO BUILD A NEW WATER TREATMENT PLANT

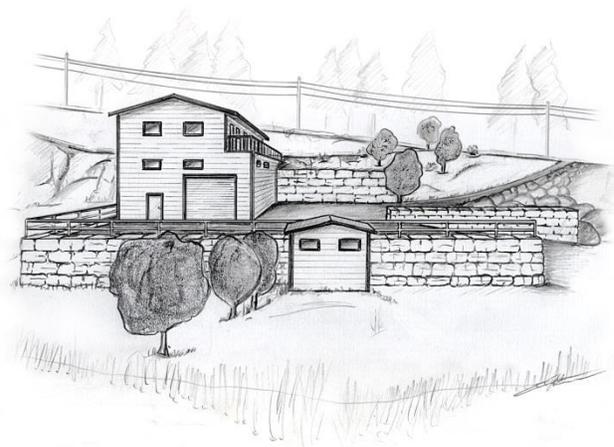
The North Salt Spring Waterworks District (the District) intends to pass “St. Mary Treatment Plant Borrowing Bylaw No. 264” for the purpose of borrowing up to \$10.4 million for the design, construction and commissioning of a Dissolved Air Floatation (DAF) Water Treatment Plant on District lands at 381 Tripp Road, Salt Spring Island. This treatment plant will replace the current facility at this location, and will significantly improve the safety and quality of drinking water throughout the year.

The new plant will consist of two structures: a 2500 sq. ft. primary building, and a “wet-well” housing the raw water pumps and intake pipes situated near the shoreline. The main floor of the primary building will house two (2) DAF Units and all the ancillary equipment such as pumps, pipes and electrical equipment. A small office, lab and bathroom will be located on the upper floor.

### Why Are We Building?

Over the last few decades, water quality regulations have continued to be strengthened and enhanced to better protect the public health. The *Canadian Guidelines for Drinking Water Quality*, published by Health Canada, establishes benchmarks for microbiological, chemical, radiological and physical water quality parameters. All guidelines are based on current, published scientific research, and are widely accepted and used by all provinces and territories for establishing enforceable regulatory requirements. In BC, The *Drinking Water Protection Regulation* dictates regulatory requirements for *E. coli*, and total and fecal coliform bacteria.

In 2003, the BC *Drinking Water Protection Act* came into effect. The *Act* requires that all water suppliers provide potable water and gives Island Health the responsibility for monitoring compliance with the *Drinking Water Protection Act*. As a result, the Island Health’s 4-3-2-1 Policy was brought into effect. The 4-3-2-1 policy is based on the *Multi-Barrier Approach to Safe Drinking Water* recommended by Health Canada. It was developed as a performance target to ensure water suppliers were meeting the



legislated requirements and has been applied to existing treatment systems since 2007.

Our current St Mary Treatment Plant, which is over 42 years old, is no longer capable of meeting future demand (with a respectable safety margin) and the raw lake water, which has become subject to severe algal blooms, continues to degrade. The Vancouver Island Health Authority (VIHA, now Island Health) determined that the plant was unable to fully meet current water quality guidelines or the expected more stringent future regulations.

Therefore, in 2008, for treatment of St Mary Lake water, Island Health mandated that North Salt Spring Waterworks District construct a Dissolved Air Flootation (DAF) Water Treatment Plant to meet present and future drinking water regulations. Island Health has extended their original deadline and it must now be up and running by January 1<sup>st</sup> 2016.

### **Preliminary Design Complete**

Kerr Wood Leidal Consulting Engineers (KWL) completed the draft preliminary design in December 2013.

The projected cost for the detailed design, building construction, equipment and infrastructure upgrades is currently between \$7-\$11 million of which we intend to borrow up to \$10.4 million and are asking for ratepayer approval to do so. In addition to borrowing, we will be using a large portion of our cash reserves as well.

### **How does the Cost Impact You?**

We have worked with the maximum amount we expect to borrow for initial calculation purposes. Currently the cost of borrowing per ratepayer is expected to be in the range of \$350-\$400 per annum. However, while interest rates are not expected to rise significantly between now and when we borrow, they cannot be fixed until the actual time of borrowing; currently estimated to be January 2015. In the meantime, we are very actively seeking ways to lower our costs.

Although we are not eligible for most grants we are working hard to find any available to us. We are about to launch a donor campaign. Any donations we receive will be applied to the project costs, thus lowering the amount we need to borrow, in turn lowering the surcharge. We do not expect the detailed design to raise project costs, and in fact hope it will result in cost savings; again lowering the amount needed for the project.

In the interests of fairness to current and future ratepayers, all of whom will benefit from the new plant, the Board has decided that the surcharge should be at fixed rate for the entire period. Ratepayers will be kept informed via newsletter of the amount and implementation date.

### **Alternative Approval Process**

The District's ratepayers will have the opportunity to voice their opinion on proposed Borrowing Bylaw 264 for the project through the Alternative Approval Process.

Using the Alternative Approval Process means that if less than 10% of the District's eligible electors/ ratepayers sign an Elector Response Form in opposition to borrowing for this project, the construction project will proceed without referendum (voting).

The alternative approval process Elector Response Forms will be available from the District office at 761 Upper Ganges Road and on the District's website beginning Friday, April 23, 2014, with the submission period running from 8:00 a.m. Monday, April 28 to 4:00 p.m. Friday, May 30, 2014. Alternative approval process Elector Response Forms will be accepted only if they are in the form established by the North Salt Spring Waterworks District. More details about the process are included separately with this newsletter.

### **What Happens If Approval Is Not Received?**

If ratepayer approval is not received, to comply with regulations, Island Health may order the matter be taken out of the District's hands and direct that another agency build the plant. We expect this would mean much higher costs to ratepayers.

### **More Information**

More information about the project is available on our website in our newly created St. Mary Treatment section. It contains information about the treatment plant project, its financial impact, a copy of Borrowing Bylaw 264, frequently asked questions (FAQs), copies of our recent newspaper articles and information concerning the Alternative Approval Process and how it works. We will continue to add to it over the life of the project.

Also on the website is information about the District in general, its history, our trustees and staff and much more. Please visit us at the web address below.

If you missed the April 15<sup>th</sup> Open House before the AGM, the Preliminary Design plans are on display in our Boardroom at the District office.