

Administration

April 24, 2008


SPENCES BRIDGE, BC V0K 2L0

Dear Sir/Madam:

Re: Further upgrades to the Spences Bridge Community Water System and a Joint Community Water System with the Cook's Ferry Indian Band

This letter is in response to the meeting held in Spences Bridge on Tuesday, April 8, 2008, wherein details of an upgrade of the existing water system and construction of a joint community water system with the Cook's Ferry Indian Band were discussed (please see attached background information). A majority of the property owners attending the meeting indicated support to proceed to the next step in the process to obtain formal approval for the residents' share of Eight Hundred Thousand Dollars (\$800,000.00).

Attached to this letter for your review, consideration, execution (if you concur) and return to my office, is a formal petition for your property. **Please note that if there are two (2) or more owners, a majority of the owners must sign the petition in order for it to be considered valid.** For example, if there are two (2) owners then both must sign the petition and if there were three (3) owners then at least two (2) of the three (3) owners must sign the petition. In addition 50% or more of all the properties in the Spences Bridge Community Water System Service Area must sign and represent 50% or more of the net taxable assessed land and improvement values for the petition to be considered as sufficient and valid.

If the required number of petitions is received on or before the hereinafter noted date, the petition will be certified as sufficient and valid, and will be presented to the TNRD Board of Directors on June 12, 2008 for consideration and subsequently to the Inspector of Municipalities for approval. The proposed upgrades cannot proceed until a valid petition is returned and the bylaw has been adopted.

Because there is some urgency in this matter it would be appreciated if the petition(s) could be returned in the enclosed stamped addressed envelope by May 30, 2008.

Please feel free to contact me at 250 377 8673 (or 1 877 377 8673 toll free in BC) if you have any questions and/or require further clarification.

Yours truly,



Lyle R. Huntley
Clerk/Director of Community Services

Attachments

Spences Bridge Community Water System Service Area Petition

I/We, the undersigned property owner(s) in the Spences Bridge Community Water System Service Area in Electoral Area "I" (Blue Sky Country) (see map on reverse) hereby petition the Board of Directors of the Thompson-Nicola Regional District to:

Borrow an additional amount not to exceed Eight Hundred Thousand Dollars (\$800,000.00) for the purpose of providing further capital improvements to the existing water system and construction of a joint community water system with the Cook's Ferry Indian Band; the principal and interest on such debt to be repaid over a period of twenty (20 years). By signing this petition, I/we acknowledge that the maximum amount that may be requisitioned annually for the purpose of recovering the debt servicing costs, associated with this borrowing, shall not exceed Eighty Thousand Dollars (\$80,000.00) or approximately Six Hundred and Fifty Dollars (\$650.00) per parcel per annum. It is understood that these annual costs will be recovered by a parcel tax to be imposed in the manner provided in Part 24 Division 4.3 of the *Local Government Act*.

Roll Number

Parcel Legal Description

Parcel Civic Address

Net Taxable Value

(Total Land & Improvements)

Owner (s)	Signature
NAME	_____
ADDRESS	_____
	Date



BACKGROUND INFORMATION

Spences Bridge Community Water System Petition

April 2008

As you are aware, the Thompson-Nicola Regional District (TNRD) assumed ownership and responsibility for operation and maintenance of the Spences Bridge Community Water System (SBCWS) on April 1, 2007, following the positive results of a petition distributed to the community in 2006. The takeover of the water system was initiated by the Spences Bridge Improvement District (SBID) following enactment of the BC Drinking Water Protection Act, provincial legislation that imposed significant personal liability and financial demands on the Trustees of the SBID.

The TNRD was successful in obtaining an infrastructure grant from the British Columbia Communities Water Improvement Program in the amount of \$777,333. The grant provides two-thirds of the estimated \$1,166,000 for system upgrades that includes distribution system and reservoir improvements, a bridge crossing to loop the distribution system and investigation of a new well source to replace Murray Creek. The remaining one-third is to be funded by borrowing up to \$400,000 that was authorized by way of the 2006 petition.

Original Project - 2006

■ BCCWIP Grant	\$777,333
■ Borrow	\$400,000
■ Total Funds	\$1,177,333

System Upgrades: Well source, bridge crossing, distribution, reservoir

The Cooks Ferry Indian Band has several reserves dispersed throughout the Spences Bridge community and through initiatives funded by Indian and Northern Affairs Canada (INAC), the Band was also looking to construct a water system. The TNRD and the Cook Ferry Indian Band entered into discussions to consider the potential for construction of a joint water system to service the entire Spences Bridge community. Gentec Engineering was retained to prepare a feasibility study to assess the potential for a joint water system. The study reviewed several servicing options and estimated costs using the various known water supplies in the community including Murray Creek and wells located on reserve.

The preferred (least expensive) option is a system that utilizes a groundwater source near IR 1 and includes construction of a distribution line along Highway 8 to connect to the SBCWS. This option provides a groundwater source that will replace the use of Murray Creek and eliminate the need for a filtration system to treat surface water. It also includes a new reservoir, bridge crossing and distribution upgrades that were part of the initial project upgrades.

The estimated cost for the joint water system project is \$4,205,500 of which the SBCWS share is \$1,881,000. We currently have \$777,333 from the BCCWIP grant and authority to borrow up to \$400,000 for a total of \$1,177,333. This leaves a shortfall of \$705,000 that is needed to provide the required \$1,881,000 SBCWS share for the project. We are suggesting that the SBCWS borrow an additional \$800,000 to cover this shortfall. The cost to each parcel would be about \$650 per year if financed over a 20 year period plus the estimated \$308 per parcel required to pay back the \$400,000 previously authorized. The remainder of the \$4,205,000 project cost will be funded by INAC.

The intent of the petition is to provide public assent for the TNRD to borrow an additional \$800,000 on your behalf to fund the joint SBCWS - Cooks Ferry Indian Band project. In the event that the petition fails, it is likely that a joint community water system will not be feasible. This will lead to the SBCWS needing to find an alternate source of water and installation of a filtration plant to meet Interior Health requirements. The estimated costs for a new intake in the Thompson River and a filtration plant is \$3,600,000, of which the total cost will be borne by the users of the SBCWS. The cost to finance \$3,600,000 over a 20 year period equates to about \$2,900 per parcel per year. Add to this the \$308 per parcel per year that will be needed to complete the initial system upgrades and the total annual cost will be about \$3,200 per parcel.

Option 1: Spences Bridge – Cooks Ferry Indian Band Joint Water System

Proceed with the joint water system to service both the SBCWS and Cook Ferry Indian Band that takes advantage of available INAC funding with a resulting cost to the SBCWS of \$1,881,000 of which an additional \$800,000 will be required through borrowing:

- Project Cost \$4,205,500
- SBCWS share \$1,881,080

- BCCWIP Grant \$777,333
- Borrow \$400,000
- Total \$1,177,333
- Budget Shortfall \$705,000

- Need to borrow additional \$800,000 (\$705,000 plus contingency)

OR

Option 2: Independent TNRD System

Reject the proposed joint water system, continue with the original project scope and prepare to meet Interior Health requirements by finding a new water source and constructing a filtration plant at an estimated additional cost of \$3,600,000 of which all will need to be borrowed (there may be an opportunity to obtain a portion through future grant programs).

- Filtration \$2,700,000
- Thompson R. Intake \$900,000

- Additional Project Cost \$3,600,000
- SBCWS share \$3,600,000

- Budget Shortfall \$3,600,000

A public meeting was held at the Spences Bridge Community Hall on April 8, 2008 at which time the details of these options and associated costs were provided to those in attendance. A straw poll was taken where **36 of the 43 people in attendance supported a joint SBCWS – Cooks Ferry Indian Band** water system and preferred to borrow an additional \$800,000 as opposed to 0 of the 43 in attendance that preferred to borrow \$3,600,000 if the SBCWS were to meet IHA requirements independently. Chief David Walkem attended the meeting and confirmed Cooks Ferry Indian Band and INAC support of the joint project.