

Joseph Marr

Subject: FW: Conversion of the Seagirt Waterworks District
Attachments: 2008 - 2009 Breakage Map.pdf; Colquitz Engineering Report (21-01-22) Rep-SID-Rev1.pdf; Info Letter to Owners (Approved 21-03-03).pdf; Cover letter for voting (Sample).pdf; Voting Survey Letter (Sample).pdf

From: Trustees@seagirtwaterworks.ca [<mailto:Trustees@seagirtwaterworks.ca>]
Sent: Friday, April 23, 2021 2:16 PM
To: 'Gareth Mogg' <gareth.mogg@gov.bc.ca>; directorjdf <directorjdf@crd.bc.ca>; Ted Robbins <trobbsins@crd.bc.ca>
Cc: SWD Trustees <trustees@seagirtwaterworks.ca>
Subject: Conversion of the Seagirt Waterworks District

To: Ministry of Municipal Affairs: Gareth Mogg (gareth.mogg@gov.bc.ca)

To: Capital Regional District: Mike Hicks (directorjdf@crd.bc.ca)
 Ted Robbins (trobbsins@crd.bc.ca)

Re: Seagirt Waterworks District (SWD)

The purpose of this letter is to inform you of the steps taken by SWD Trustees to convert the improvement district to the Capital Regional District (CRD). Currently the SWD provides water to 84 lots with 153 registered owners. The water is supplied by the CRD and enters the SWD waterline from a CRD waterline on East Sooke Road. The SWD waterline is 60 year-old asbestos-concrete with an estimated life expectancy of 50 years. We have attached a map identifying repairs documented from 2008 to 2009, and there have been many other line failures since.

The initial step undertaken by the current SWD Trustees was to obtain an engineering study for what is required, including an estimate of the costs, to replace the waterline. Colquitz Engineering provided its report with funding secured by Mike Hicks, Regional Director for Juan de Fuca – Capital Regional District, a copy of which is attached.

Following receipt of the Colquitz Report, the SWD Trustees resolved to send an information letter to the SWD property owners. A copy of the information letter is attached. The information letter was sent by Canada Post on March 4, 2021 and was sent by email to the property owners on March 6, 2021.

The property owners were informed of the options open to them, including the replacement of the waterline as outlined in the Colquitz Report, and were invited to address any questions or concerns to the Trustees by email. A virtual information meeting using ZOOM was scheduled for Saturday, March 20, 2021. Two of the Trustees visited every property within the SWD for which we did not have an email address, to offer information and assistance for joining the virtual meeting ahead of time. On the day of the meeting, there were approximately 50 property owners who participated.

On March 30, 2021, a Voting Letter was mailed by Canada Post to all property owners, asking them to choose which option (as set out in the information letter) they would prefer. The property owners were asked to return their votes to the Trustees using a pre-addressed, prepaid, envelope enclosed with the Voting Letter, by April 15, 2021.

On April 16, 2021, the Trustees and one additional property owner counted the votes that had been received. The results of the count is as follows:

Option 1: 3 votes representing 2 properties

Option 2: 2 votes representing 1 property

Option 3: no votes

Option 4: 111 votes representing 63 properties

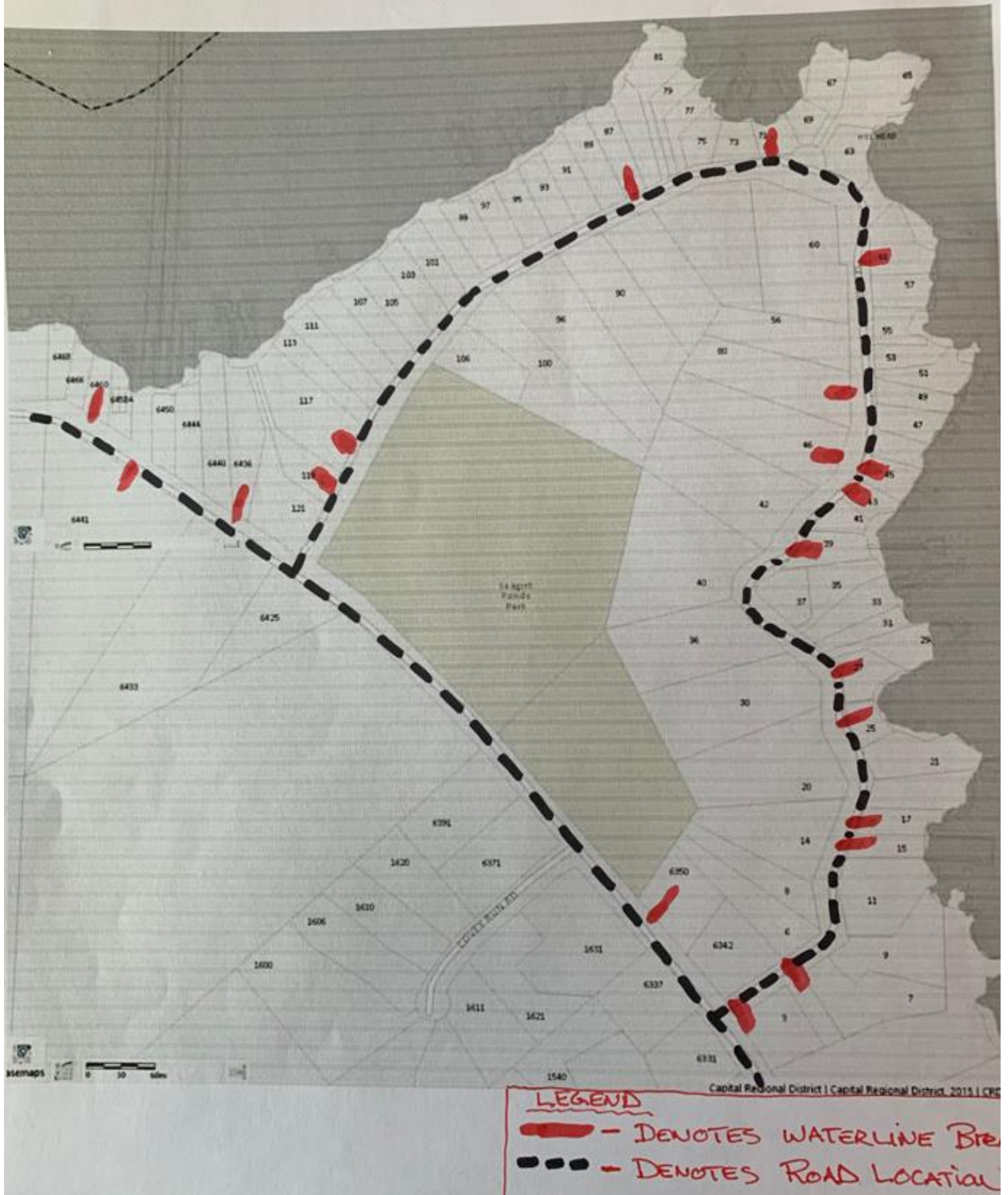
A majority of property owners favour Option 4, which is to have the SWD convert to the CRD and have the CRD undertake construction of the new waterline as proposed in the Colquitz Report, with the understanding that the cost will be borne by the property owners financed by MFA. The cost of the new waterline will be paid by the property owners through their property taxes.

The Trustees wish to proceed with conversion to the CRD, and the construction of the replacement waterline. The Trustees have complied with the guidelines laid out by the Ministry of Municipal Affairs and now look to you for the next steps.

Yours truly,

The Trustees,
Seagirt Waterworks District

REFER TO ATTACHED: Appendix SWID WATER BREAKS
(2008 - 2009)



Seagirt Waterworks District
c/o 9 Seagirt Road
Sooke, B.C. V9Z 1A3

«Owner__First_Name» «Owner_Last_Name»
«Owner_Address_1»
«Owner_City», «Owner_Prov» «Owner_Postal_Code»

Re: «ExtendedLegal»

Further to our letter of March 4, 2021, enclosed is the Voting Letter by which each person registered on title to the above-noted property is entitled to vote for one of the four options set forth in the Information Letter to Owners that was approved by the Trustees on March 3rd, 2021.

Copies of the **Information Letter**, as well as the **Colquitz Report**, the **Overview of the Conversion of an Improvement District to a Regional District Service** document, and the **FAQ** can be found on the Seagirt Waterworks website at www.seagirtwaterworks.ca.

Please complete Voting Letter by filling in the information required and return it in the enclosed stamped self-addressed envelope on or before April 15, 2021.

If you have any additional questions, please address them to Trustees@seagirtwaterworks.ca and we will respond as quickly as we are able.

Thank you for your participation in determining the future of our water system.

Best regards,

Tim Henderson, for
The Trustees, Seagirt Waterworks District

/encl.

Information Letter on Waterline Replacement Options Regarding the Seagirt Waterworks District Waterline

A little History to start :

The Seagirt Water District (SID) was established by Order in Council in 1961. The waterline constructed at that time was a 4 inch concrete and asbestos pipe with an expected lifespan of 50 years.

Over the last 60 years the water system has been managed by volunteer elected Trustees who have overseen the system for the benefit of the water users. During that time the waterline has experienced failures in different locations which have been repaired at the expense of the ratepayers. Contractors repairing the waterline have described it as fragile and in need of replacement.

The Elected Trustees have considered the matter and concluded that ratepayers have four options:

Option 1: Do nothing

This option represents established practice where repairs are made when there is a failure. The very real risk here is that, because the line is past its end of life, it could fail at any time and require replacement at considerable cost and inconvenience to ratepayers.

There would be no ability for any planning such as developing a pathway to engage the CRD to assume ongoing management of the waterline.

Furthermore the existing 4-inch line is below current standards and does not have the capacity to meet single family residential fire flow demands.

Option 2: Replace the old AC with PVC

This option would have SID hire a contractor to locate the old AC pipe, remove and replace it with PVC that would connect with the PVC that has been installed over the past 30 years. The contractor who was involved in repairing the broken AC line has advised that :

- i) difficult to locate the PVC now in the ground,
- ii) The integrity of the PVC now in the ground is likely compromised,
- iii) The PVC now in the ground ie that replaced the broken AC pipe is 4 inches not 6 inches and does not meet current standards,
- iv) It would be an expensive patch work fix with no certainty of ongoing integrity,
- v) over the last few years there has been new construction along Seagirt Road with heavy equipment going back and forth which has likely damaged the old waterline.

The Trustees have concluded this is not a workable solution and would only delay the inevitable - the need for a new waterline.

Option 3: The SID undertake the work to replace the waterline

The cost of replacement is approximately \$2,000,000 and is detailed in a report prepared by Colquitz Engineering dated January 22, 2021, a copy of which can be found on the Seagirt Waterworks website (www.seagirtwaterworks.ca).

To undertake replacement of the waterline the SID would be responsible for:

- Retaining the services of a civil engineering consultant to prepare detailed design and tender documents;
- Overseeing the tender and selection process;
- Overseeing the contractor and construction;
- Obtaining Island Health and CRD approvals;
- Financial administration and oversight.

These costs amount to more than \$200,000 and will require time and experience that are likely beyond the capacity of volunteers on behalf of the Improvement District. Once the requisite approvals are obtained the job would be put out for tender. The cost of replacing the waterline would be covered from loans arranged by the SID through a bank or credit union which would be repaid by the ratepayers through taxes.

An example of the potential cost for replacement:

\$2,000,000 at 3.03% amortized over 25 years (300 monthly payments) would be \$9,515.46 per month or \$111.95 per lot.

Please note that under this option, no grant monies are shown because Improvement Districts are not eligible for grants - only the CRD can apply for grants. Furthermore, financing through the Municipal Financing Authority (MFA) at the lowest borrowing rate possible, is not available to an Improvement District.

Under this option the ongoing administration of the SID would continue - holding annual general meetings, electing volunteer trustees, bylaw enforcement, tax collection, meter reading, infrastructure maintenance, billing and collection on behalf of the water users. To work effectively, this system depends on volunteers able and willing to do the work.

Option 4: Have CRD take over the Improvement District

This requires that ratepayers agree to the dissolution of the SID. The advantage here is that the CRD would assume responsibility for the works necessary to replace the waterline.

The waterline replacement would conform to the Colquitz Engineering Report. As the report shows, the new waterline would meet current standards, with a 6 inch diameter pipe, fire hydrants, new meters and meter boxes etc.

Costs will still be carried by ratepayers in the SID, however, the CRD would be eligible to apply for MFA financing which is at a cost considerably less than borrowings from a bank or credit union. Moreover by agreeing to dissolve the SID and have CRD take over and install the new waterline financed by MFA the borrowing costs of each ratepayer will be added to the property tax bill of each property. If the property is the ratepayer's principle residence and the ratepayer is 55 years old or older the property taxes, including the costs of borrowing, can be deferred under the Property Tax Deferral Program

It is important to note that, while the CRD is eligible to apply for grant monies, they have advised that they would not likely be successful in obtaining grants to replace an old waterline. That said it is safe to say that there would be no reason for the CRD not to apply for a grant if available.

Two of the three Trustees recommend Option 4.

Conclusion:

Once the Trustees have had an opportunity to meet with CRD Staff, we will be asking each ratepayer which option is preferred. In the meantime if you have any questions please contact the Trustees at Trustees@seagirtwaterworks.ca. We will likely hold a virtual information meeting for ratepayers on Saturday, March 20 at 2:00 in the afternoon on ZOOM. Registration will be required ahead of time. If you would like to participate, please send an email to Trustees@seagirtwaterworks.ca. If you need assistance to set up or use ZOOM, please contact Tim Henderson at 778-679-9987.

Following the meeting, we will send a letter to each ratepayer with a return envelope asking which option they prefer.

Approved by the Trustees, Seagirt Waterworks District
March 3, 2021

To the Trustees, Seagirt Waterworks District
c/o Tim Henderson, Trustee
9 Seagirt Road
Sooke B.C. V9Z 1A2

The undersigned, being the registered owner(s) on title to the property in the Seagirt Waterworks District having a civic address of

nn Seagirt Road

and/or legal description of

Lot nn, Plan VIPnnnnn, Section 97, Sooke Land District

have received and read the Information Letter to Owners dated March 4, 2021, and hereby vote for our preferred option:

_____	_____	Option _____ <i>Write in your preferred option</i>
Full name	Signature	
_____	_____	Option _____ <i>Write in your preferred option</i>
Full name	Signature	
_____	_____	Option _____ <i>Write in your preferred option</i>
Full name	Signature	
_____	_____	Option _____ <i>Write in your preferred option</i>
Full name	Signature	

Following is a reminder of the 4 Options fully described in the "Information Letter on Waterline Replacement" of March 4, 2021:

Option 1. Do nothing

Option 2. Dig up and replace asbestos pipe with 4" PVC pipe and connect it to existing PVC already in the ground.

Option 3. Seagirt Waterworks undertake replacing the waterline with 6" PVC pipe in accordance with the Colquitz Report, to be financed by a bank loan to SWD at commercial rates.

Option 4. CRD replaces waterline in accordance with the Colquitz Report, Seagirt Waterworks dissolves, assets and management of SWD converts to CRD, Financed through the Municipal Finance Authority.

Signed this _____ day of _____, 2021

Please return your completed Voting Survey using the stamped self-addressed envelope provided before April 15, 2021.

SAMPLE