MEMORANDUM

TO:       John Finnie, General Manager
           Regional and Community Utilities

FROM:     Mike Donnelly
           Manager of Water Services

FILE:     5500-22-SP-01-UPGRADE

SUBJECT:  San Pareil Water System
           Fire Protection Improvements Service Area and Borrowing Bylaw Petition Results

DATE:     November 21, 2011

PURPOSE

To present the petition results and bylaws associated with the development of a fire protection improvements service area in the Shorewood/San Pareil subdivision and obtain Board approval for the associated bylaws.

BACKGROUND

Residents of the San Pareil Water Service Area and the remaining lots in the subdivision that are not in the existing water service area recently participated in a petition process to approve upgrades to the water distribution system for fire protection purposes and to approve the associated bylaws.

This petition (see Appendix ‘A’) was initiated for needed infrastructure and fire protection improvements for the San Pareil area. At the November 2010 Board meeting the following resolution was passed:

“That the Board approve the review and confirmation of the pre-design estimates and direct staff, if the review is favourable, to proceed with the development of a petition to establish borrowing authority for the works and costs of improvements to the San Pareil Water Service Area.”

The final review of costs for full implementation of the proposed capital improvements totaled $2,452,000. Due to the cost impacts of fully implementing this plan alternatives were developed that would see a reduced program which still addressed key infrastructure weaknesses. These alternatives were presented on May 26, 2011 at a public meeting. At that meeting residents expressed an interest in pursuing a capital improvement plan that did not include all elements of the original proposal but did provide fire flow improvements. Residents attending the meeting also made it clear that improvements to fire protection should be developed so that the 44 lots not currently in the water service area would be included for fire protection purposes.

To accomplish this it was determined that a new fire protection improvements service area could be created over the entire subdivision area, including those properties that are not in the existing San Pareil Water Service Area. All properties within the newly established Fire Protection Service Area would receive the benefits of enhanced fire protection through the improvements to the water system, including the 44 properties not in the existing water service area, who would share in the costs for the improvements, but would not be connected to the community water system.
The capital improvements were redefined to provide sufficient flow in the distribution system for fire protection purposes but not full replacement of the infrastructure. The resulting petition included costs for twinning the existing reservoir, building a new pump station and replacing some water mains with a total cost is estimated at $1,360,000.

The petition was sent to property owners in early September with a response requested by November 4, 2011. This date had no legislative implications – it was selected by staff as a reasonable target date for petitions to be returned. The petition provided information on the proposed improvements, the costs and the need to proceed with both an establishing bylaw and a borrowing bylaw. The petitions were sent to all properties in the current water service area and to those 44 properties currently outside of that system. The total number of properties both inside and outside of the water service area is 332.

A significant amount of information on the proposed improvements has been available to Shorewood/San Pareil residents as part of this process. There have been three public meetings, two direct mail newsletters, a reminder letter to all property owners in October and a web site specifically developed to ensure all available information was available including copies of presentations made at the public meetings, copies of the newsletters, overviews of the public meetings and answers to frequently asked questions.

In order for a petition to be successful the petition must be signed by the owners of at least 50% of the parcels liable to be charged for the proposed service, and the persons signing must be the owners of parcels that in total represent 50% of the net taxable value of all land and improvements within the proposed service area.

Based on this, the number of valid petitions received must be equal to or greater than 166 with at least 50% of the net taxable value for the petition to be successful. The number of petitions received that have been officially certified total 181. This total represents 55% of the properties in the proposed service area with 56% of the assessed value. Therefore, the bylaws have received the assent of electors and will allow both the service area establishing bylaw and the borrowing bylaw to proceed.

An additional 27 petitions were received that, due to various reasons, were not included in the certified total. With these petitions the total number received was 208 or 63% of the properties within the proposed service area.

**ALTERNATIVES**


2. That the Board provide alternate direction.

**FINANCIAL IMPLICATIONS**

The petition documents detailed the financial implications for these improvements. The total cost for the improvements is $1,360,000. This cost will be amortized over 20 years resulting in $480 in the first year and $370 for each of the following 19 years for each of the 332 properties in the new service area.
CONCLUSIONS

The San Pareil petition to establish the San Pareil Water System (Fire Protection Improvements) service area and borrowing for those improvements has been successful with 181 (55% of the properties) certified petitions returned. Bylaws establishing the new service area and detailing borrowing requirements now require Board approval in order to proceed.

RECOMMENDATIONS


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Report Writer                              General Manager Concurrence

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CAO Concurrence