

STAFF REPORT: Finance & IT Services and Engineering & Public Works



REPORT TO: Council
MEETING DATE: September 12, 2011
REPORT NO.: FIT.11.38
SUBJECT: Highway 26 - Local Water Servicing Extension
Robert Cummings, Director of Finance & IT Services
John Caswell, Manager of Water & Wastewater Services/Assistant Director
Darcy Chapman, Capital Accountant

A. Recommendations

THAT Council receive Staff Report FIT.11.38 "Highway 26 - Local Water Servicing Extension", for information purposes.

THAT Council authorize staff to hold a Public Information Centre and a subsequent Public Meeting to receive input from the benefitting property owners relating to the recovery of costs on an equivalent unit basis for the works constructed along Highway 26 between Arrowhead Road and Grey Road 19; and,

FURTHER THAT payment options to be offered to the benefitting property owners include:

- (a) payment in full to be paid by a date specified in the By-law;
- or
- (b) payment over time based on a 10 year term at 5% interest per annum or the prevailing Town rate at the time of the By-law passing. Payments will be added to the tax bill with terms offering repayment of the balance owing on the loan at any time, including interest to that date, with no penalty applied. The balance of the loan becomes due and payable at the time a property is sold, conveyed or transferred.

B. Background

Project History

The four phases of the Highway 26 Local Water Servicing Extension project between Arrowhead Road and Grey Road 19 were substantially completed in 2009. The following is a history of the project.

Phase I

The project commenced in August 2000 after the Town received an order from the Ministry of the Environment (MOE) to assume operational control and responsibility for the Pinery Plaza communal water system. The Town determined the communal system could not be operated safely and a boil water order was placed on the system by the Medical Officer of Health from the Grey Bruce Health Unit. Costs to upgrade the

communal system to legislative requirements at that time were cost prohibitive. Therefore, the Town applied to the MOE for a Certificate of Approval to install a temporary connection to the existing municipal system and the Pinery Plaza water system was temporarily connected to the municipal water system.

At approximately the same time, Craigleith Shores Condominium was utilizing a water system supply from Georgian Bay. The MOE required Craigleith Shores to provide full filtration treatment or connect to the municipal water system. Craigleith Shores requested the Town extend the municipal watermain to its property, located approximately 500 metres to the west of Arrowhead Road along Highway 26. The Craigleith Shores Condominium Board then entered into an agreement with the Town to provide funds for construction of a watermain that was part of the overall water servicing area for Highway 26 between Arrowhead Road and Grey Road 19.

Phase II

Between 2001 and 2002, the Pinery Plaza distribution system was connected to a municipal watermain that was constructed along Highway 26. Georgian Shores Condominium located further east on Highway 26 connected to the same municipal water system when it became available to address immediate water quality concerns and comply with the MOE regulations.

Phase III and IV

Prior to the initiation of Phase III and IV work, a Public Information Centre (PIC) was held on May 27, 2006 (see Attachment F1). This PIC was held to inform residents in the vicinity of Phases I and II that continued watermain construction would soon take place and would offer hook-up to the remaining un-serviced properties in the catchment area.

Phase III was completed in 2007 and Phase IV was completed in 2009.

Project Construction

The Highway 26 Local Water Servicing Extension Project was constructed to provide a watermain loop in four phases from Arrowhead Road easterly along Highway 26 to a location on Highway 26 near the base of Chamonix Crescent and the Georgian Trail. Since construction is now complete and final costs are known, the Town can calculate the Capital Charges for the project.

Costs to Benefitting Property Owners

As part of the Town's policy for billing local service extensions, two factors are considered when determining the appropriate charges to those affected. Firstly, a benefitting owner is the registered owner of a benefitting property. A benefitting property is a separately assessed property fronting on the water system, connected to the water system or supplied with water from the water system.

Secondary to this, each property is assessed a unit charge. A unit means a residential dwelling unit or equivalent residential unit, in the case of multi-residential or commercial properties. There is the chance that an owner can be assessed more than one unit share of the costs.

The total cost of the construction was \$1,621,979.36. The cost will be shared by 125 benefitting property owners totalling 129 equivalent units, less any grants or supplemental funding sources.

<u>Highway 26 Water Service Extension</u>		
Project Expenses (Construction, Engineering, etc.)		
Phase I	\$ 279,972.21	
Phase II	\$ 364,705.45	
Phase III	\$ 911,739.95	
Phase IV	\$ 65,561.75	
Total Expenses		\$ 1,621,979.36
Revenues		
Funding from Development Charges (DCs)	\$ 120,300.00	
Ontario Small Town and Rural (OSTAR) Grant Funding	\$ 499,025.19	
Total Revenues		\$ 619,325.19
Net Recoverable from Residents		\$ 1,002,654.17

After grants and oversizing contributions, there is a balance of \$1,002,654.17 to be paid equally by 129 units. In addition to the construction costs, each unit will be charged a water treatment plant and water distribution capital charge which is their contribution to the cost of the existing Thornbury Water Treatment Plant and Craigleith Water Distribution System. The total per unit cost is calculated as follows:

Net Recoverable from Residents	\$ 1,002,654.17
Per Unit Cost for Project (Total / 129 Units)	\$ 7,772.51
PLUS: Area Rate Charge (Plant & Distribution Charge)	\$ 2,184.00
TOTAL Cost per Equivalent Unit	\$ 9,956.51

Funding and Prepayments

1) Development Charges

Supplemental funding source includes the contribution of \$120,300 from the Craigleith Service Area Development Charge (DC) fund for the oversizing of a portion of the watermain to accommodate future development. This contribution was originally established in the Town's 2001 DC Background Study.

2) Grants

The Town was able to secure Provincial grant funding which significantly reduces the cost to each benefitting owner. After the Walkerton tragedy, the province offered grant

funding for water system upgrades. The Town's OSTAR grant application covered one third of the eligible construction costs. The OSTAR grant reduces the amount of Capital Charge to each benefitting property.

Late in 2009, the Town received further approval for additional funds from the OSTAR grant program, increasing the grant funding for the project to \$499,025.19.

3) a) Prepayments from Phase I and II properties

The benefitting residents of Phases I and II paid a portion of the construction costs of the local servicing up-front. Their final cost will be reduced by any previous payments made towards the works by the benefitting property owner.

b) Prepayments from Craigleith Shores

During construction of Phase I, the Town entered into an agreement with the Craigleith Shores Condo Corporation (GCC#12). The agreement stipulated that GCC#12 would have to provide up-front payment to the Town in the amount of \$121,805 to help cover the construction costs. As well, GCC#12 was also required to pay the equivalent Development Charge for the Craigleith Service Area (\$1,852) as they would be immediately able to use the water system upon completion of the Phase I construction. GCC#12 paid the required funds between 2000 and 2001. Based on those contributions the remaining outstanding amount is as follows:

CRAIGLEITH SHORES GCC#12	
Local Service Costs	
Craigleith Shores Owing (62 x \$7,772.51)	\$ 481,895.62
Craigleith Shores Prepayment (2000)	\$ 121,805.00
Outstanding Amount	\$ 360,090.62
Area Rate Charge (Plant & Distribution Charge)	
Craigleith Shores Prepayment (62 @ 2001 rate of \$1,852)	\$ 114,824.00
Outstanding Amount	Nil
TOTAL AMOUNT OUTSTANDING TO TOWN	\$ 360,090.62

c) Prepayments from Local Residents

As well, during construction of Phase I, two residential properties were serviced with Town water. A similar agreement was reached between the property owners and the Town regarding prepayment of construction costs and equivalent DC charges. The following outlines the charges remaining to be paid:

LOCAL RESIDENTS Roll #6-21300 & 6-21400	
Local Service Costs	
Unit Owing	\$ 7,772.51
Resident Prepayment (2000)	\$ 5,000.00
Outstanding Amount	<u>\$ 2,772.51</u>
Area Rate Charge (Plant & Distribution Charge)	
Resident Prepayment (@ 2001 rate of \$1,852)	\$ 1,852.00
Outstanding Amount	<u>Nil</u>
TOTAL AMOUNT OUTSTANDING TO TOWN PER UNIT	<u>\$ 2,772.51</u>

4) *Municipal Act, 2001*

Sections 9, 11 and Part XII of the *Municipal Act, 2001*, as amended, (the *Act*) and the *Regulations* thereto enables a municipality to impose by by-law, fees or charges for the use of a water system;

In addition, *Ontario Regulation 581/06* provides that fees or charges imposed for the use of a water system under the Act and added to the tax roll under subsection 398(2) of the Act have priority lien status as described in section 1 of the Act;

Communication Plan

A Public Information Centre is recommended to update the benefitting property owners with the costs and receive questions regarding the project.

Communication with the benefitting property owners over this period of time has been intermittent and at times highly personalized. Town staff has spoken with many property owners on this matter over the history of this project as a result of real estate transactions. The benefitting property owners have been circulated with: a notice containing the information within this report, as amended by Council; the details of the construction costs and the repayment options available through the Town.

In accordance with Town policy, circulation to the benefitting property owners will be a minimum of 14 days prior to the Public Information Centre and 21 days in advance of the Statutory Public Meeting.

Town staff will deliver written and verbal communication on this project which is clear, concise and easy to understand for all residents in the project area.

Staff mailed a letter to residents on July 27 (Attachment F.4). Since the mailing informing residents of the Towns intentions, the following communications have occurred regarding the project;

Email Inquiries (Q/A)	4
Telephone Calls	16
In-person Meetings	4

As well, Staff met with E&H Property Management and four Board Members of GCC#12 on August 18, 2011 to provide a detailed overview of the project history and planned timeline going forward. Staff also wanted to gain an understanding of how the Condo Board wished to have the capital charges billed to the property owners due to GCC#12's constitution. In this regard, six different capital charges had to be calculated to ensure compliance.

Both E&H and the Board members were concerned about the billing of the project. The main issues surround two points. Firstly, GCC#12 feels as though they are being treated unfairly due to the fact that small 600 ft² units are paying the same as large single family homes. Secondary to this, GCC#12 feels as though they should not be responsible for paying virtually half of the total costs of the projects since they make up 62 of the affected 129 total units. Staff explained the current policy on determining unit yields and then explained the overall cost sharing. Both E&H and the Board understood the current policy, however, they will bring this up at the PIC and Public Meeting in an attempt to get a change in direction from Council in order to provide some relief to the unit holders.

Financing

The Town provides options for financing the Highway 26 - Local Water Servicing Extension for the benefitting property owners. These options provide for a payment in line with the Town's Affordability Guidelines. The 2006 guideline currently identifies \$1,500 as an affordable annual repayment limit.

The total Capital Water Servicing Charge of \$9,956.51 (or other amounts based on prepayments) can be financed at 5% interest per year. The annual payment for owners that had not made prepayments would be approximately:

	<u>Annual Payment</u>
@ 10 Years	\$ 1,289.42; or,
@ 15 Years	\$ 959.24

The pending Capital Charges By-law will offer two payment options:

1. payment in full; or,
2. financing over 10 years with annual repayment amounts to be determined after the term of loan repayment and the interest rate is set by Council.

Those benefitting property owners that choose to pay over time may pay off the balance owing at any time, including interest to date, with no penalty applied. If the property is sold or ownership is transferred, the balance of the financed Capital Charge would become due and payable.

Timeline

July 27	First letter to residents outlining history and notice of upcoming report to Council
On or around Sept. 1	Second letter to residents with costs, payment options, Notice of upcoming Public Information Centre, Public Meeting and Notice of Intent to Enact a By-law
Weeks of Aug. 29 & Sept. 5	Advertisement of Public Information Centre, Public Meeting and Notice of Intent to Enact By-law
Sept. 12	Report to Council
Sept. 20	Public Information Centre
Sept. 26	Public Meeting
Oct. 12	Optional Report to Council (if required based on comments from Public Meeting)
Oct. 24	Enact By-law
Nov. 4	Notice of Passage of By-law and Payment Election Forms mailed to residents
Dec. 12	Due date for Full Payment or Payment Election Form (debenture option) returned to Town

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability and providing a strong, well managed municipal government.

D. Environmental Impacts

Provide safe drinking water.

E. Financial Impact

Total construction and capital costs of \$991,149 are currently held unfinanced by the Town.

F. Attached

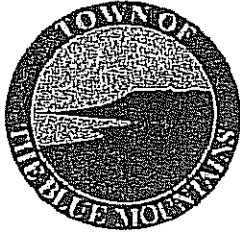
1. Highway 26 Water Transmission Project Public Information Session – May 27, 2006
2. Guidelines for Municipal Sewer & Water Extension Projects – January 19, 2006
3. *Draft* - Capital Charges By-law
4. Letter to Benefitting Property Owners, July 27, 2011
5. Map of Affected Service Area

Respectfully submitted,

Robert Cummings, CMA
Director of Finance & IT Services

John Caswell
Manager of Water & Wastewater
Services/Assistant Director

Darcy Chapman
Capital Accountant



Town of The Blue Mountains
P.O. Box 310, 26 Bridge Street East
Thornbury, ON N0H 2P0

Tel: (519) 599-3131 / Fax (519) 599-7723
Email: info@town.thebluemountains.on.ca
Website: www.thebluemountains.ca

**Highway # 26 Water Transmission Project
Public Information Session
Marsh Street Community Centre, Clarksburg
May 27, 2006
11:00 a.m. to 12:30 p.m.**

Project History

Two condominium corporations and a plaza (Georgian Shores, Craigleith Shores and Pinery Plaza) were serviced by three separate private water systems. One system utilized a GUDI shore well source and two drew water directly from Georgian Bay. The municipality was ordered by the Ministry of the Environment to assume responsibility for these systems. The preferred alternative was determined to be the abandonment of the existing supply systems and the extension of the existing municipal water distribution system to the private distribution system. Interim servicing to address the immediate threat to public health was constructed in 2000/2001. Contract No 1 (2000/2001) and Contract No 2 (2001/2002) extended the municipal water distribution system from the north and south, respectively, to provide potable water to the problem areas. Contract No 3 (2005/2006) will connect the two distribution system extensions.

Project Costs and Provincial Funding

The Town of The Blue Mountains made application to the Ontario Small Town and Rural Development (OSTAR) program for provincial and federal funding on both the Swiss Meadows water transmission project, and the Highway # 26 water transmission project (Craigleith Shores, Georgian Shores, Pinery Plaza areas). Funding approval was given by the provincial government only, on the estimated cost of the projects at that time. Total Highway # 26 project costs, less 1/3 OSTAR funding on the original cost estimate, less a development charges contribution to the North Main Loop will be charged back to the owners of approximately 131 benefiting units.

Eligible estimated expenditures at the time of the OSTAR application were around \$831,000, with corresponding funding at 1/3, or \$277,000. The current cost estimate to the end of the project, including the North Main Loop, is \$1,256,000. The third and final phase of the project, the North Main Loop, is estimated to cost \$800,000.

The total net project cost (total costs less OSTAR funding less Development Charges contributions) is estimated at \$860,147, or \$6,566 per unit. In addition, the property owners must pay a capital charge for the water plant and related works and studies of \$3,720 per unit. Total capital charges amount to an estimated \$10,286 per unit. This amount will be reduced by any previous payment made towards the works by the property owner.

The Town has made application to OSTAR for 1/3 funding on the additional project costs, but a final funding decision has not been received. A final decision by OSTAR awaits the tender results to construct the water main "loop" on Highway # 26 between Georgian Shores and Craigleith Shores areas.

Payment and Financing Options

Final charges will be dependent on total project costs and total OSTAR funding.

The estimated capital charges to be imposed in the amount of \$10,286 per unit (to be reduced by any previous payment made towards the works) may be paid in full by property owners by the due date. Any charges not paid when due will be added to taxes to be paid over a suggested period of ten (10) years, with interest accruing from the due date. The annual charge to be imposed for ten years (including interest) is estimated to be \$1,464, assuming a long term loan rate of 7% per annum.

Annual repayment amounts will be dependent on the term of loan repayment and the interest rate set at the time long term financing is established for this project.

Those property owners that choose to pay over time may pay off the balance owing at any time, including interest to that date, with no penalty applied. At the time a property is sold, the balance of the loan will become due and payable.

Questions and Comments

Please direct any questions or comments to John Caswell, Manager of Environmental Services / Assistant Director, at (519) 599 3131 x 226, or Chris Fawcett, Director of Finance, at (519) 599 3131 x 236.

Policy Statements
Guidelines for Municipal Sewer & Water Extension Projects
January 19, 2006

The Town's Official Plan provides "that municipal servicing capacity will ultimately be made available for all existing development within the applicable Service Districts". "Municipal water and sewage services are to be provided by centralized treatment plant facilities with an extensive service line infrastructure designed to service existing development".

The following Policy Statements shall be considered when reviewing sewer and water extensions.

GENERAL:

- Council will establish a priority list, which will be reviewed from time to time, establishing the order that various areas may be serviced.
- Sewer & Water budgets will include all necessary work to restore the road to its pre-existing condition.
- Required road costs may include road and drainage improvements over and above pre-construction conditions.

STANDARDS:

- All infrastructure will be constructed to approved Town Engineering Standards
- Any special technical factors which affect the costs will be identified and considered in the analysis.

FINANCING / FUNDING:

- All projects should be deemed to be affordable for both the Town and the property owners.
- The combination of all Town wide capital projects will not cause the Town to exceed an appropriate debt level (i.e. – 80% of its debt limit).
- Projects will proceed into detailed design only after a review of the costs, funding and financing options by Council

- A full range of funding and financing tools will be reviewed for each project including combinations of government grants, user fees, property owner payments, reserves, long term debt financing, developer funding/financing, taxation, etc.
- If there are provincial/federal grants benefiting a project, then Town reserve funds will not be used to further reduce the costs to benefiting property owners, unless necessary to meet the affordability criteria.
- All Capital Charges imposed are to have priority lien status, if possible.
- All benefiting property owners on each project will contribute equally to the cost on an equivalent unit basis.
- For non-residential uses, the Town's "Basis for Equivalent Units" should be reviewed and updated.
- All benefiting property owners on each project will also contribute towards plants and related infrastructure costs as well as project costs.
- Any previous contributions by benefiting property owners will be identified and considered in the analysis.
- The financing options should encourage benefiting owners to maximize their payments early in the payment schedule.
- Benefiting owners will be given payment options. At least one option will allow the property owner to pay not more than an affordable threshold amount annually based on current costs (i.e., approximately \$1,500) over an extended term.
- In the event that effected properties are sold, the balance of the remaining assessment shall be paid to the Town as part of the sale closing process.

COMMUNICATIONS:

- All affected property owners will be consulted prior to establishing any specific charges.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011-XX

BEING A BY-LAW TO IMPOSE CAPITAL WATER CHARGES FOR THE USE OF THE TOWN'S WATER WORKS (Highway 26 Watermain Extension Area)

WHEREAS sections 9, 11 and Part XII of the *Municipal Act, 2001*, as amended, (the *Act*) and the *Regulations* thereto enables a municipality to impose by By-law, fees or charges on persons for the supply of water;

AND WHEREAS *Ontario Regulation 581/06* provides that fees or charges imposed for the supply of water under the Act and added to the tax roll under subsection 398(2) of the Act have priority lien status as described in section 1 of the Act;

AND WHEREAS the water system which consists of the water distribution works and the water plant will provide a benefit to the benefitting owners;

AND WHEREAS the Council deems it necessary to impose upon the benefitting owners capital water charges for the supply of water to pay a portion of the capital cost of the water distribution works and to pay a portion of the capital cost of the water plant;

AND WHEREAS the Council intends to impose a capital water charge upon the future benefitting owners at some later point in time when the water system is extended to provide municipal drinking water service to their properties;

AND WHEREAS the Town has held a public meeting before passing this By-law and has provided notice of the public meeting and its intention to pass this By-law and has made available to members of the public information with respect to the capital water charges.

NOW THEREFORE the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

Definitions

1. In this By-law, including the recitals thereto:

“Act” means the *Municipal Act, 2001*, as amended;

“benefit” means an immediate benefit accruing to the benefitting owners which is derived or derivable from the water system;

“benefitting owner” means the registered owner of an estate in fee simple of a benefitting property;

“benefitting property” means a separately assessed property fronting on the water system, connected to the water system or supplied with water from the water system as described in Schedule “B”;

“capital cost” means the cost of constructing the water distribution works, inclusive of all items of cost usually and properly chargeable to capital account, and where applicable, the interest amounts payable on the debentures to be issued for these works and the imputed interest cost on the money supplied from the funds of the Town to finance the benefitting owners’ share of the cost of these works;

“capital water charge” means the capital water charge on a per unit basis in the amount set out in Schedules “D1”, “D2”, “D3”, “D4”, “D5”, “D6”, “D7” and “D8” imposed by this By-law on each of the benefitting owners for the supply of water to the benefitting owner’s benefitting property;

“Council” means the Council of The Corporation of the Town of The Blue Mountains;

“future benefit” means a benefit accruing to the future benefitting owners which will be derived or derivable from the water system at some later point in time when the water system is extended to provide municipal drinking water service to their property;

“future benefitting owner” means the registered owner of an estate in fee simple of a future benefitting property as set out in Schedule “B”;

“future benefitting property” means each separately assessed property as set out in Schedule “B”;

“Highway 26 Watermain Extension Service Area” means area shown in heavy outline and identified as the Highway 26 Watermain Extension Area on Schedule “A”;

“Town” means The Corporation of the Town of The Blue Mountains;

“Treasurer” means the person appointed by the Council as the Treasurer for the Town or his designate;

“unit” means a residential dwelling unit or equivalent residential unit;

“water distribution works” means the Town’s works described in Schedule “C” for the storage, supply and or distribution of water to the Highway 26 Watermain Extension Area, or any part of such works

“water plant” means the Thornbury Water Treatment Plant for the production, treatment, supply, storage, or distribution of water, or any part of such works, and does not include the water distribution works;

“water system” means the Town’s municipal drinking-water system as defined in the *Safe Drinking Water Act, 2002, S.O. 2002, c.32*, as amended and includes the water plant and the water distribution works, all of which are necessary for the supply of water to the benefitting owners and provide a benefit to the benefitting owners:

Unless the context otherwise requires in this By-law, words importing the singular include the plural and vice versa and words importing gender includes all genders.

Capital Costs

2. The capital cost of the water distribution works and the portions of the capital cost of the water distribution works to be paid by the benefitting owners and the future benefitting owners under this By-law are set out in Schedule “C”.

Charges Imposed

3. The roll number and description of each benefitting owner’s benefitting property and the number of units on each benefitting property for which a capital water charge is imposed by this By-law are set out in Schedule “B”. Any benefitting property shown as vacant land on the latest revised assessment roll shall be deemed to have one unit on it for the purposes of this By-law.
4. A capital water charge for the supply of water to the benefitting owner’s benefitting property on a per unit basis in the amounts set out in Schedules “D1”, “D2”, “D3”, “D4”, “D5”, “D6”, “D7” and “D8” is hereby imposed on each of the benefitting owners to pay for a portion of the capital cost of the new water distribution works and to pay for a portion of the capital cost of the water plant.
5. In accordance with section 90(3) of the Act, if new parcels of land are created from existing benefitting properties or new units are constructed on existing benefitting properties, the capital water charge as set out in section 4 is imposed on the benefitting owner of the new parcel of land or of the new unit in the

manner set out in this By-law.

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6. A capital water charge for the supply of water on a per unit basis in an amount to be determined by the Council will be imposed on each of the future benefitting owners by a By-law enacted by the Council at some later point in time when the water system is extended to provide municipal drinking water service to the future benefitting owners.

Notification

7. The Treasurer shall forthwith after the enactment of this By-law mail to the benefitting owners, by prepaid regular mail, a copy of this By-law together with an explanation of this By-law and an election form prescribed by the Treasurer for the purpose of the benefitting owners making the election referred to in section 11.

Charges Due and Payable

8. The capital water charges imposed by this By-law constitute a debt of the benefitting owners to the Town and, subject to section 9, are due and payable on **December XX, 2011**.
9. In the event a benefitting owner makes the election provided for in section 11 by **December XX, 2011** the capital water charge imposed on that benefitting owner by this By-law shall become due in the amounts, at the times and in accordance with the provisions of section 11 and the instalments provisions as set out in Schedules "D1", "D2", "D3", "D4", "D5", "D6", "D7" and "D8".
10. In the event a benefitting owner fails to make the election provided for in section 11 by **December XX, 2011**, the full amount of the capital water charge imposed on that benefitting owner by this By-law shall be added to the owners tax account and will be billed in accordance with section 12.

Payment Option

11. (1) A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than **December XX, 2011**, on the election form prescribed by the Treasurer in accordance with section 7, to pay the capital water charge in instalments, with interest thereon as set out in Schedules "D1", "D2", "D3", "D4", "D5", "D6", "D7" and "D8".
(2) Subject to section 11(3), a benefitting owner may at any time or times pay the whole or any part of the unpaid balance of the capital water charge together with interest thereon to the date of payment.
(3) In the event of a benefitting owner selling, conveying or transferring title to the benefitting property to any person or corporation the unpaid balance of the capital water charge and interest thereon shall forthwith become due and payable.

Collection of the Capital Water Charges

12. The Treasurer is hereby authorized and directed to add the capital water charges to the tax rolls for the benefitting properties set out in Schedule "B" in accordance with subsection 398(2) of the Act and to collect the capital water charges in the same manner as municipal taxes.
13. The capital water charges added to the tax rolls under subsection 398(2) of the Act have priority lien status as described in section 1 of the Act, and the capital water charges, including interest:
 - (1) may be collected in the same manner as taxes on the benefitting property;
 - (2) may be recovered with costs as a debt due to the Town from the assessed owner of the benefitting property at the time the capital water charges are

added to the tax roll and from any subsequent owner of the benefitting property or any part of it;

- (3) are a special lien on the benefitting property in the same manner as are taxes under subsection 349(3) of the Act; and
- (4) may be included in the cancellation price under Part XI of the Act in the same manner as are taxes on the benefitting property.

Non-payment of Charges

- 14. On all capital water charges which are in default on the day following each due date a penalty of 1 ¼ percent shall be added and thereafter a penalty 1 ¼ percent per month will be added on the first day of each and every month the default continues until December 31 in the current year. On all capital water charges in default on January 1 of the following year, interest will be added at the rate of 1 ¼ percent per month for each month or fraction thereof of default.
- 15. In addition to all of the provisions of this By-law and the Act for the collection of capital water charges which are in default, the Town may in accordance with section 81 of the Act shut off the supply of water to a benefitting property if the capital water charges payable by the benefitting owner are overdue and in default.

Application to the Ontario Municipal Board

- 16. No application shall be made to the Ontario Municipal Board under clause 71(c) of the *Ontario Municipal Board Act* on the grounds that the capital water charges imposed under this By-law are unfair or unjust.

Administration

- 17. This By-law shall be administered and enforced by the Treasurer.

Schedules

- 18. Schedules "A", "B", "C", "D1", "D2", "D3", "D4", "D5", "D6", "D7" and "D8" are hereby declared to form part of this By-law.
- 19. This By-law shall come into force and take effect upon the enactment thereof.

ENACTED AND PASSED this ____ day of _____, 2011

The Corporation of the Town of The Blue Mountains

.....
Ellen Anderson, Mayor

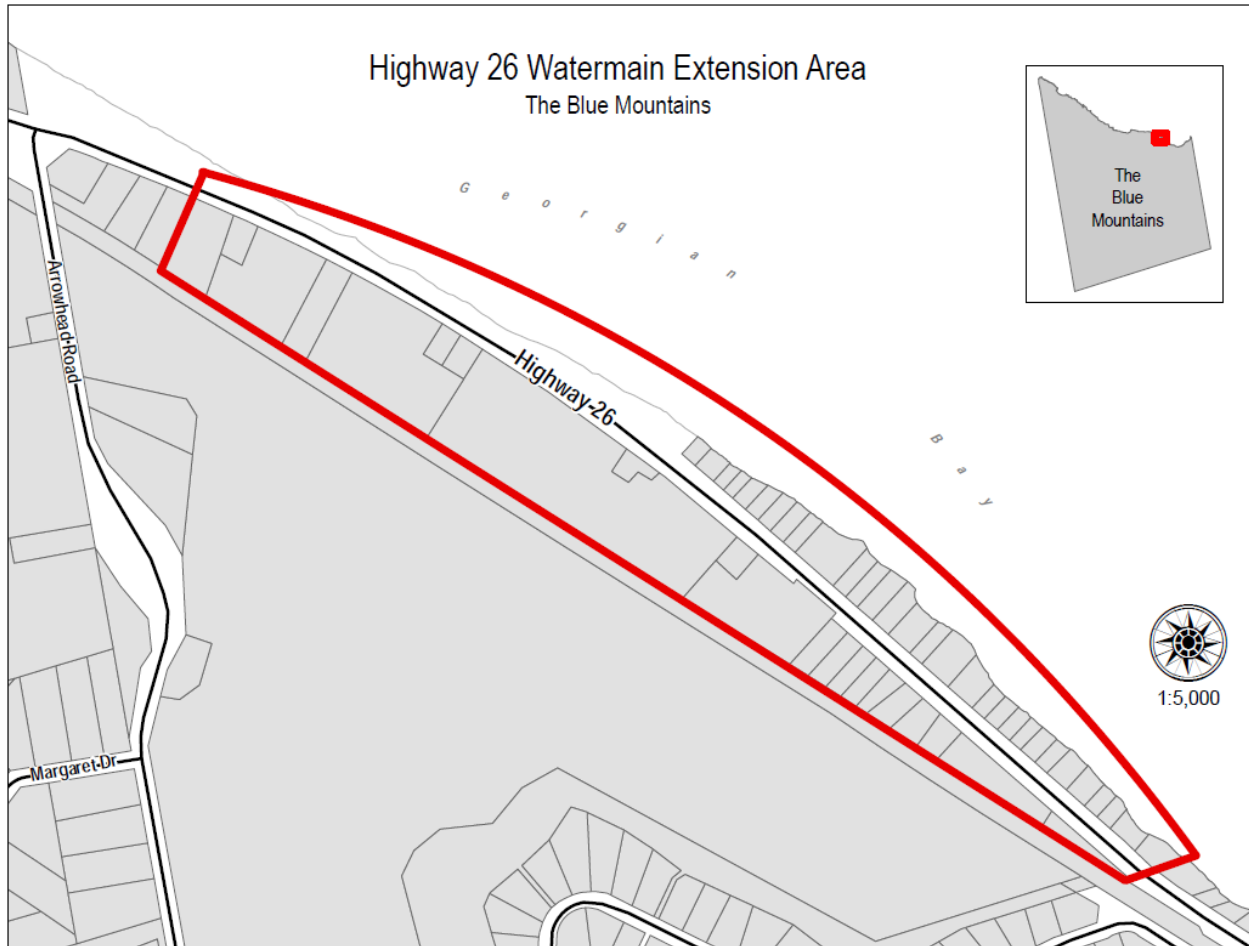
.....
Corrina Giles, Clerk

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011 - XX

Schedule "A"

Highway 26 Watermain Extension Area



THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011 - XX

Schedule "B"

Benefitting Properties – Single Residential Units

Roll Number	Legal Description	Number of Units	Applicable Capital Water Charge Schedule
424200000620900	Con 3 Pt Lot 24	1	D1
424200000621000	Con 3 Pt Lot 24	1	D1
424200000621100	Con 3 Pt Lot 24 Part 2 of Survey	1	D1
424200000621200	Con 3 Pt Lot 24 Part 3 of Survey	1	D1
424200000621300	Con 3 Pt Lot 24	1	D2
424200000621400	Con 3 Pt Lot 24	1	D2
424200000621410	Con 3 Pt Lot 23 Pt Lot 24	1	D1
424200000621500	Con 3 Pt Lot 24	1	D1
424200000621700	Con 3 Pt Lot 23	1	D1
424200000621900	Con 3 Pt Lot 23 SPH RP;16R4070 Part 1,2,3	1	D1
424200000621901	Con 3 Pt Lot 23 RP 16R4070;Part 4,5,6	1	D1
424200000622000	Con 3 Pt Lot 23 RP 16R3800;Parts 1,2,22 & 23	1	D1
424200000622001	Con 3 Pt Lot 23 RP 16R3800;Parts 3,4,5 & 6	1	D1
424200000622002	Con 3 Pt Lot 23 RP 16R3800;Parts 7 To 10	1	D1
424200000622003	Con 3 Pt Lot 23 RP 16R3800;Parts 11,12,13, 14,15 & 16	1	D1
424200000622004	Con 3 Pt Lot 23 RP 16R3800;Parts 17,18,19,20 RP 16R4794;Part 2	1	D1
424200000622005	Con 3 Pt Lot 23 RP 16R4794;Parts 1,3,4,5 RP 16R3800;Parts 11,12,13,14 15, 16	1	D1
424200000622400	Plan 320 Lot 44 W Pt Lot 45	1	D1
424200000622500	Plan 320 E Pt Lot 45 W Pt Lot 46	1	D1
424200000622600	Plan 320 E Pt Lot 46	1	D1
424200000622800	Plan 320 Lot 48 RP 16R1590;Part 1 To 4 ROW Over Part 5;To 6 Subj To ROW Part 3 To 4	1	D1
424200000622900	Plan 320 Lot 49 RP 16R1590;Parts 5,6,7,8	1	D1
424200000623000	Plan 320 Lot 50 RP 16R1590;Parts 9 To 12 & Row & Subj To ROW	1	D1
424200000623001	Plan 320 Lot 51 RP 16R1590;Parts 13 To 16 & Row & Subj to Row	1	D1
424200000623100	Plan 320 Lot 52 To 54	1	D1
424200000623200	Plan 320 Lot 55	1	D1
424200000623300	Plan 320 Lot 56	1	D1
424200000623400	Plan 320 N Pt Lot 57	1	D1
424200000623500	Plan 320 Pt Lots 57 & 58 RP 16R1573 Part 1	1	D1
424200000623600	Plan 320 Pt Lot 58	1	D1
424200000623700	Plan 320 E Pt Lot 58	1	D1
424200000623800	Plan 320 Lot 59 To 60	1	D1
424200000623900	Plan 320 Lot 61 Lot 62	1	D1
424200000624100	Plan 320 Lot 63	1	D1
424200000624200	Plan 320 Lot 64	1	D1
424200000624300	Plan 320 Lot 65 RP 16R2650;Part 1	1	D1

424200000624301	Plan 320 Pt Lot 66 RP 16R9446 Parts 1 To 3	1	D1
424200000624400	Plan 320 Lot 67 RP 16R9446;Parts 6 To 8	1	D1
424200000624401	Plan 320 Pt Lot 68 RP 16R9446 Part 9	1	D1
424200000624500	Plan 320 Lot 69 W Pt Lot 70	1	D1
424200000624600	Plan 320 E Pt Lot 70 Lot 71;RP 16R1795 Parts 2 To 4 ROW Over RP 16R1795 Part 5	1	D1
424200000624601	Plan 320 Lot 72 RP 16R1795;Parts 5,6,7,8	1	D1
424200000624700	Plan 320 Lot 73 & Con 3 Pt Lot 23 RP 16R2141 Parts 1 &;2	1	D1
424200000624800	Plan 320 Lot 74 To 75	1	D1
424200000624900	Plan 320 Lot 76 Con 3 Pt Lot 22 RP 16R3171 Part 1 Less RP 16R3171 Part 2	1	D1

Benefitting Properties – Condominium Units

Roll Number	Legal Description	Number of Units	Applicable Capital Water Charge Schedule
424200000621201	Grey Condo Plan 12 Level 1;Unit 1	1	D3
424200000621202	Grey Condo Plan 12 Level 1;Unit 2	1	D3
424200000621203	Grey Condo Plan 12 Level 1;Unit 3	1	D3
424200000621204	Grey Condo Plan 12 Level 1;Unit 4	1	D3
424200000621205	Grey Condo Plan 12 Level 1;Unit 5	1	D3
424200000621206	Grey Condo Plan 12 Level 1;Unit 6	1	D3
424200000621207	Grey Condo Plan 12 Level 1;Unit 7	1	D3
424200000621208	Grey Condo Plan 12 Level 1;Unit 8	1	D3
424200000621209	Grey Condo Plan 12 Level 1;Unit 9	1	D3
424200000621210	Grey Condo Plan 12 Level 1;Unit 10	1	D3
424200000621211	Grey Condo Plan 12 Level 1;Unit 11	1	D3
424200000621212	Grey Condo Plan 12 Level 1;Unit 12	1	D3
424200000621213	Grey Condo Plan 12 Level 1;Unit 13	1	D3
424200000621214	Grey Condo Plan 12 Level 1;Unit 14	1	D3
424200000621215	Grey Condo Plan 12 Level 1;Unit 15	1	D3
424200000621216	Grey Condo Plan 12 Level 1;Unit 16	1	D3
424200000621217	Grey Condo Plan 12 Level 1;Unit 17	1	D3
424200000621218	Grey Condo Plan 12 Level 1;Unit 18	1	D3
424200000621219	Grey Condo Plan 12 Level 1;Unit 19	1	D3
424200000621220	Grey Condo Plan 12 Level 1;Unit 20	1	D3
424200000621221	Grey Condo Plan 12 Level 1;Unit 21	1	D3
424200000621222	Grey Condo Plan 12 Level 1;Unit 22	1	D3
424200000621223	Grey Condo Plan 12 Level 1;Unit 23	1	D3
424200000621224	Grey Condo Plan 12 Level 1;Unit 24	1	D3
424200000621225	Grey Condo Plan 12 Level 1;Unit 25	1	D3
424200000621226	Grey Condo Plan 12 Level 1;Unit 26	1	D3
424200000621227	Grey Condo Plan 12 Level 1;Unit 27	1	D3
424200000621228	Grey Condo Plan 12 Level 1;Unit 28	1	D3
424200000621229	Grey Condo Plan 12 Level 1;Unit 29	1	D4
424200000621230	Grey Condo Plan 12 Level 1;Unit 30	1	D5
424200000621231	Grey Condo Plan 12 Level 2;Unit 1	1	D3
424200000621232	Grey Condo Plan 12 Level 2;Unit 2	1	D3
424200000621233	Grey Condo Plan 12 Level 2;Unit 3	1	D3
424200000621234	Grey Condo Plan 12 Level 2;Unit 4	1	D3
424200000621235	Grey Condo Plan 12 Level 2;Unit 5	1	D3
424200000621236	Grey Condo Plan 12 Level 2;Unit 6	1	D3
424200000621237	Grey Condo Plan 12 Level 2;Unit 7	1	D3

424200000621238	Grey Condo Plan 12 Level 2;Unit 8	1	D3
424200000621239	Grey Condo Plan 12 Level 2;Unit 9	1	D3
424200000621240	Grey Condo Plan 12 Level 2;Unit 10	1	D3
424200000621241	Grey Condo Plan 12 Level 2;Unit 11	1	D3
424200000621242	Grey Condo Plan 12 Level 2;Unit 12	1	D3
424200000621243	Grey Condo Plan 12 Level 2;Unit 13	1	D3
424200000621244	Grey Condo Plan 12 Level 2;Unit 14	1	D3
424200000621245	Grey Condo Plan 12 Level 2;Unit 15	1	D3
424200000621246	Grey Condo Plan 12 Level 2;Unit 16	1	D3
424200000621247	Grey Condo Plan 12 Level 2;Unit 17	1	D3
424200000621248	Grey Condo Plan 12 Level 2;Unit 18	1	D3
424200000621249	Grey Condo Plan 12 Level 2;Unit 19	1	D3
424200000621250	Grey Condo Plan 12 Level 2;Unit 20	1	D3
424200000621251	Grey Condo Plan 12 Level 2;Unit 21	1	D3
424200000621252	Grey Condo Plan 12 Level 2;Unit 22	1	D3
424200000621253	Grey Condo Plan 12 Level 2;Unit 23	1	D3
424200000621254	Grey Condo Plan 12 Level 2;Unit 24	1	D3
424200000621255	Grey Condo Plan 12 Level 2;Unit 25	1	D3
424200000621256	Grey Condo Plan 12 Level 2;Unit 26	1	D3
424200000621257	Grey Condo Plan 12 Level 2;Unit 27	1	D3
424200000621258	Grey Condo Plan 12 Level 2;Unit 28	1	D3
424200000621259	Grey Condo Plan 12 Level 2;Unit 29	1	D6
424200000621260	Grey Condo Plan 12 Level 2;Unit 30	1	D7
424200000621261	Grey Condo Plan 12 Level 2;Unit 31	1	D7
424200000621262	Grey Condo Plan 12 Level 2;Unit 32	1	D8
424200000621801	Grey Condo Plan 6 Level 1;Unit 1	1	D1
424200000621802	Grey Condo Plan 6 Level 1;Unit 2	1	D1
424200000621803	Grey Condo Plan 6 Level 1;Unit 3	1	D1
424200000621804	Grey Condo Plan 6 Level 1;Unit 4	1	D1
424200000621805	Grey Condo Plan 6 Level 1;Unit 5	1	D1
424200000621806	Grey Condo Plan 6 Level 1;Unit 6	1	D1
424200000621807	Grey Condo Plan 6 Level 1;Unit 7	1	D1
424200000621808	Grey Condo Plan 6 Level 1;Unit 8	1	D1
424200000621809	Grey Condo Plan 6 Level 1;Unit 9	1	D1
424200000621810	Grey Condo Plan 6 Level 1;Unit 10	1	D1
424200000621811	Grey Condo Plan 6 Level 1;Unit 11	1	D1
424200000622712	Grey Condo Plan 6 Unit 12	1	D1
424200000622713	Grey Condo Plan 6 Unit 13	1	D1
424200000622714	Grey Condo Plan 6 Unit 14	1	D1
424200000622715	Grey Condo Plan 6 Unit 15	1	D1

Benefitting Properties – Multi Residential/Commercial Units

Roll Number	Legal Description	Number of Units	Applicable Capital Water Charge Schedule
424200000622200	Con 3 Pt Lot 23	4	D1
424200000622300	Con 3 Pt Lot 23 SPH RP;16R6707 Pts 1 to 3	2	D1

Future Benefitting Properties

Roll Number	Legal Description	Number of Units	Applicable Capital Water Charge Schedule
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THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011 -XX

Schedule "C"

1. Description and Capital Cost of the Water Distribution Works

Project Expenses (Construction, Engineering, Etc)		
Phase 1	\$	279,972.21
Phase 2	\$	364,705.45
Phase 3	\$	911,739.95
Phase 4	\$	<u>65,561.75</u>
Total Expenses		\$ 1,621,979.36
Revenues		
Funding from Development Charges	\$	120,300.00
OSTAR Grant Funding	\$	499,025.19
Total Revenues		<u>\$ 619,325.19</u>
Net Recoverable from Residents		\$ 1,002,654.17

2. Allocation of the Capital Cost of the Water Distribution Works

Benefitting Properties – Single Residential	45
Benefitting Properties – Condominium Units	77
Benefitting Properties – Multi Residential/Commercial	6
Future Benefitting Properties	<u>1</u>
TOTAL UNITS	<u>129</u>

3. Capital Cost of the Water Plant

Total Capital Cost \$13,811,200

(See Town of The Blue Mountains Development Charges Background Study - February 2010)

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D1"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$7,772.51

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$2,184.00

Total Capital Water Charge Imposed

(Per Unit)

\$9,956.51

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$9,956.51 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D2"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$7,772.51

LESS: Prepayment \$5,000.00

Net Outstanding: \$2,772.51

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$2,184.00

LESS: Prepayment \$1,852.00 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$2,772.51

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$2,772.51 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D3"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$7,276.63

LESS: Prepayment \$1,839.26

Net Outstanding: \$5,437.37

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$2,044.66

LESS: Prepayment \$1,733.84 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$5,437.37

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$5,437.37 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D4"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$11,083.61

LESS: Prepayment \$2,801.52

Net Outstanding: \$8,282.09

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$3,114.38

LESS: Prepayment \$2,640.95 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$8,282.09

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$8,282.09 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D5"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$8,144.04

LESS: Prepayment \$2,058.50

Net Outstanding: \$6,085.54

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$2,288.40

LESS: Prepayment \$1,940.53 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$6,085.54

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$6,085.54 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D6"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$14,746.02

LESS: Prepayment \$3,727.23

Net Outstanding: \$11,018.79

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$4,143.48

LESS: Prepayment \$3,513.61 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$11,018.79

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$11,018.79 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D7"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$12,866.62

LESS: Prepayment \$3,252.19

Net Outstanding: \$9,614.43

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$3,615.39

LESS: Prepayment \$3,065.80 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$9,614.43

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$9,614.43 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011- XX

Schedule "D8"

Capital Water Charge (Water Distribution Works)

(Per Unit)

\$14,697.83

LESS: Prepayment \$3,715.05

Net Outstanding: \$10,982.78

Capital Water Charge (Water Treatment Plant and Craigleith Service Area Distribution Works)

(Per Unit)

\$4,129.94

LESS: Prepayment \$3,502.13 (2001 Equivalent)

Net Outstanding: \$ 0.00

Total Capital Water Charge Imposed

(Per Unit)

\$10,982.78

Payment Option

A benefitting owner may elect, by notice of election delivered to the Treasurer by no later than December 12, 2011, in the form prescribed by the Treasurer in accordance with section 7 to pay the capital water charge in instalments as follows:

(a) the total capital water charge of \$10,982.78 over a period of Ten (10) years in four instalments per year. Instalments will be due on the dates the municipal taxes are due in each and every year from and including the first instalment in 2012 to and including the last municipal tax instalment of 2021, and the balance of this capital water charge shall be due and payable on the date of the last municipal tax instalment of 2021.

August 29, 2011

Ronald Doherty
209446 Highway 26
Blue Mountains ON L9Y 0T1

**RE: Highway 26 Water Service Extension Area
Roll Number 424200000620900**

Dear Ronald Doherty,

Please find enclosed a copy of the proposed draft By-law that will impose charges on your property relating to watermain construction that occurred between 2001 and 2009. The current draft By-law proposes that as the owner of the property with the legal description of CON 3 PT LOT 24, you will be assessed a total capital charge of \$9,956.51. Detailing of the costs can be found on Schedule "C" of the draft By-law with a breakdown for each individual unit on Schedule "D1". Upon passage of the By-law, you will be provided with the option of paying the charge in full or financing it through a Town debenture. The current estimated charge, based on an annual interest rate of 5%, would be approximately \$1,290 over a ten year period which may be added to your annual property tax bill.

As well, included in the package is a notice of a Public Information Centre and Public Meeting relating to the project. The Public Information Centre will consist of a presentation on the history of the project and an explanation of the draft By-law followed by a brief Q&A. This session is primarily a dialogue between affected community members and staff to ensure a clear understanding of the project and processes used to establish the draft By-law. The subsequent Public Meeting is an open session of Council designed to allow residents the opportunity to speak directly to Council about various questions, concerns or suggestions regarding potential problems or changes to the existing draft By-law.

A full report of the project will be presented to Council on September 12, 2011. This report will be available on the Town's website at www.thebluemountains.ca on or before September 8, 2011 within the Council Meeting agenda and document package. Alternatively, copies of same will be made available by contacting the Town Office.

The Town would like to stress that there is an open and public process to establishing the rates and as such, the By-law is a draft only. Changes to the current draft By-law may occur as a result of public comments provided at the Public Information Centre or

Public Meeting. Please see below for an estimated timeline for completion of the various steps in the finalization of the billing process.

Timeline

July 27	First letter to residents outlining history and notice of upcoming report to Council
August 28	Second letter to residents with costs, payment options, Notice of upcoming Public Information Centre, Public Meeting and Notice of Intent to Enact a By-law
Sept. 12	Report to Council – FIT.11.38 Highway 26 Local Water Servicing Extension
Sept. 20	Public Information Centre
Sept. 26	Public Meeting
Oct. 12	Optional Report to Council (if required based on comments from Public Meeting)
Oct. 24	Enact By-law
Nov. 4	Notice of Passage of By-law and Payment Election Forms mailed to residents
Dec. 12	Due date for Full Payment or Payment Election Form (debenture option) returned to Town

We welcome the opportunity to assist you and would be pleased to answer any questions you may have about this project. Please do not hesitate to contact us. For information regarding the scope of the project, contact **John Caswell**, Manager of Water and Wastewater Services at jcaswell@thebluemountains.ca or **519-599-3131 x226**. For information regarding the capital costs of the project, please contact **Darcy Chapman**, Capital Accountant at dchapman@thebluemountains.ca or **519-599-3131 x274**. For any other inquiries, please do not hesitate to contact the undersigned at rcummings@thebluemountains.ca or **519-599-3131 x245**.

Sincerely,

Town of The Blue Mountains

Robert Cummings, CMA
Director of Finance & IT Services

Highway 26 Watermain Extension Area

The Blue Mountains

