

To: Property Owners along Sackville Drive who may be subject to a Proposed Water and Sewer Services Plan

Date: April 23, 2007

Survey and Notice of Meeting - Sackville Drive - Proposed Water & Sewer Services

The Halifax Regional Water Commission and the Halifax Regional Municipality have developed a plan to provide water and sewer along Sackville Drive to the vicinity of the Lively Subdivision. A preliminary plan was presented to the community at a North West Community Council meeting on November 23, 2006. Since that meeting, the design has been completed and the project was tendered. The purpose of this letter is to describe the latest project plan, along with the tender and cost information, and to inform property owners of the next steps in the process of obtaining approval to proceed with this project.

The scope of work for the project provides for water and sewer services along Sackville Drive as generally indicated on the attached sketch. Key elements of the servicing plan are as follows:

- The new water main will be connected to and will become the feed for the existing water distribution system in Lively.
- The existing pumping station and wastewater treatment facility at Lively will be eliminated, and the wastewater from Lively will be directed into the new sewer.
- All of the properties with frontage on Sackville Drive adjacent to the new services will be able to connect to those services once they are installed.
- Laterals (one per property) will be installed up to the street boundary line of each property adjacent to Sackville Drive.
- Each property owner will be responsible to construct and pay for the connection from the building to the street boundary line. The connection cost will vary depending upon a number of factors, such as the location of the building, whether or not rock is encountered, and if so, how much, and modifications required to internal plumbing. Additionally, some buildings may require pumping in order to access the sewer.
- The water and sewer infrastructure will be constructed larger than required for local service in order to accommodate future development and possibly existing development beyond the area directly serviced under the current plan. For the purposes of this plan these costs are referred to as oversize costs and will be deducted from the gross cost estimate and recovered later from future development as those areas connect to the system. The sewer is also sized to allow the future connection of the currently serviced properties around Springfield Lake, so that the wastewater treatment facility at Springfield Lake can be eliminated in the future.

Project Costs and Funding

The estimated gross cost to construct these works is approximately \$2,200,000 for the water system and \$4,700,000 for the sewer system, for a total of \$6,900,000.

The external funding sources identified for the Sackville Drive water and sewer project are:

- Municipal Rural Infrastructure Fund (MRIF) - \$2,878,600
- Provincial Capital Assistance Program(PCAP) - \$250,000

The net project costs after the internal funding and external funding sources are deducted, are shown in the table below. The net costs will be recovered from those property owners who are directly serviced under this plan in the form of a Local Improvement Charge (LIC).

	Water	Sewer	Total
Gross Project Costs - Estimated	\$2,187,054	\$4,709,762	\$6,896,816
Oversize Infrastructure (CCC) - Deduct	-\$298,667	0	-\$298,667
Development Cost Charge (DCC) - Deduct	0	-\$126,893	-\$126,893
Sewer Redevelopment Charges (Q104) - Deduct	0	-\$1,063,256	-\$1,063,256
MRIF Funding - Deduct	-\$1,033,531	-\$1,845,069	-\$2,878,600
Funding from HRM Capital - Deduct	0	-\$547,612	-\$547,612
HRWC Stewardship Contribution* - Deduct	-\$82,405	0	-\$82,405
PCAP - Deduct	0	-\$250,000	-\$250,000
Net Costs - Estimated (LIC)	\$772,451	\$876,931	\$1,649,382

*The HRWC stewardship contribution is subject to approval by the Nova Scotia Utility and Review Board.

In order to provide greater certainty on the project costs, the final design was issued for tender. The estimates and figures quoted in this correspondence are based on the tender price for the project. The actual cost may vary depending upon the actual quantities of work, the amount of rock encountered during excavation, or for other circumstances not known at the time of the tender. Therefore, the final LIC rates may also increase or decrease from the estimates provided. All project and financial plans must be approved by Halifax Regional Council.

The estimated interim LIC rates based on the Net Costs above are as follows:

- Water - \$66 per foot of frontage
- Sewer - \$74 per foot of frontage
- Total - \$140 per foot of frontage

With these LIC rates, for example, a lot with 100 feet of road frontage will pay \$14,000 for water and sewer services. A lot with 150 feet of frontage will pay \$21,000. The charge for each property will be calculated individually, using the rate of \$140 per foot of frontage, or the adjusted rate at the end of the project. LICs will only be assessed to properties that receive new services.

LICs can be financed over 20 years with interest charged at the rate of 2% above the Municipality's Bankers Prime Rate of Interest at the time the project is approved. Billings will be issued annually, and additional or full payments can be made at any time without penalty. A LIC deferral program is available for qualified low income property owners.

Property owners should also be aware that By-Law No. S-100, the Sewer Charges By-Law, which applies to all of HRM, requires payment of a Trunk Sewer Charge for all existing buildings in the amount of \$500.00 per dwelling unit, and \$0.30 per square foot of floor space for all other buildings. New buildings and all building additions require payment of a Sewer Redevelopment Charge of \$0.30 per square foot of floor space. The Sewer Charges By-Law describes all of these charges, and possible exemptions, in more detail. There is also a Sewer Connection Permit fee of approximately \$100 and an HRWC water connection fee of \$30.

Subsequent to the installation of services, property owners will be billed quarterly for water usage and sewer discharge based on metered water consumption. As of October 1, 2006, the residential rate structure is as follows:

- | | |
|----------------------------|-------------------------|
| • Pollution Control Charge | \$1.079 per cubic meter |
| • Water base rate | \$36.26 per quarter |
| • Water consumption | \$0.394 per cubic meter |

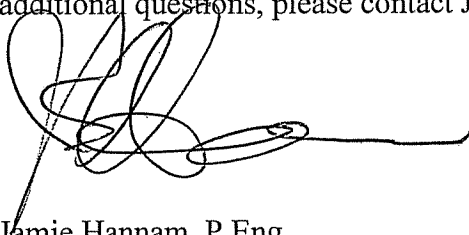
For information purposes, the average residential quarterly water consumption within HRM is currently about 64 cubic meters, which results in an average quarterly (three months) water and sewer bill of \$130. The quarterly bill for each property will vary according to the water consumed. Please note that all of these charges are subject to change from time-to-time.

Current or future lots which do not have existing frontage on the portion of Sackville Drive to be serviced (i.e. do not pay a current LIC), which wish to make a direct lateral connection to those services will be levied a charge of \$8,400 (equivalent of a 60 foot frontage) at the time of service connection, plus any applicable oversizing charges.

In an effort to help determine the desire of the community to continue the project based on the above plan, we are requesting that each property owner fill out the attached survey form (one survey per property) to indicate support for or against the plan. **Please provide a response by May 11, 2007 by one of the methods indicated at the bottom of the survey.**

Please note that any plan must be approved by Halifax Regional Municipality Council. This project has not yet been presented to Regional Council and all decisions in respect to this servicing strategy rest with Regional Council.

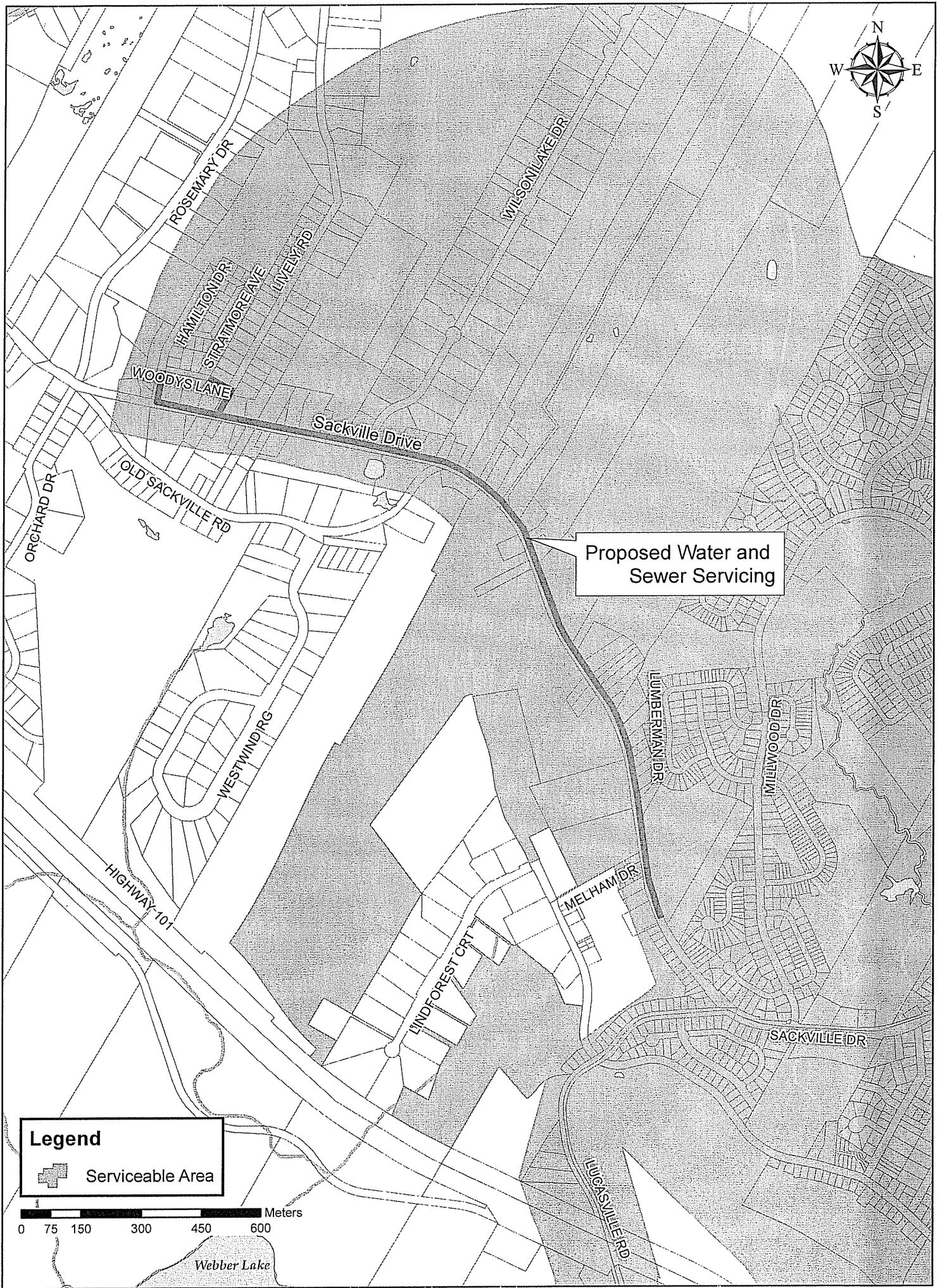
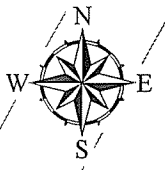
A Community Meeting regarding this project is scheduled for 7:00 pm, April 26, 2007 at the Sackville Heights Community Centre, 45 Connolly Road, as part of the regular North West Community Council meeting. Staff of the HRWC and the HRM will be in attendance to present the plan in more detail and to answer questions. If you are unable to attend the meeting, or have additional questions, please contact Jamie Hannam.

A handwritten signature in black ink, appearing to be 'J. Hannam', with a long horizontal line extending to the right.

Jamie Hannam, P.Eng.
Chief Engineer
Halifax Regional Water Commission
490-4804

Attachments:

1. Plan Showing Proposed Water and Sewer Services - Sackville Drive Area
2. Survey - Sackville Drive - Proposed Water and Sewer Services

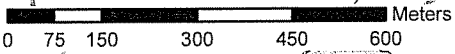


Proposed Water and
Sewer Servicing

Legend



Serviceable Area



Webber Lake

Survey - Sackville Drive - Proposed Water & Sewer Services

This survey is to be completed and returned to HRWC by May 11, 2007.

Question:

Based upon the plan and the estimated costs described in the attached staff correspondence entitled "Survey and Notice of Meeting - Sackville Drive - Proposed Water & Sewer Services", dated April 23, 2007, are you in favor of receiving Water and Sewer Services ?

YES NO (Circle One)

Name or Company Name - Please Print

Civic Address of the Subject Property - Please Print

Authorized Signature(s) (Property Owner)

Date

This questionnaire and any written comments should be forwarded using the enclosed envelope via one of the following:

By Mail:

Halifax Regional Water Commission
450 Cowie Hill Road
P. O. Box 8388 Stn. A
Halifax, NS B3K 5M1

By Fax:
(902) 490-4808

By Hand:

Halifax Regional Water Commission
450 Cowie Hill Road
Halifax, NS

Halifax Regional Water Commission
2 Park Avenue (corner of Park & Cobequid)
Lower Sackville, NS

Only one survey is to be submitted per property.

You may also return your completed survey at the April 26, 2007 Community Meeting.

Additional copies of this survey will be available at the meeting.