



Engineering & Public Works

ENGINEERING SERVICES

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June 23, 2017

Re: Hart Highlands Sanitary Sewer Local Area Service Project (LAS) - Phase 4

Dear Property Owner:

You are receiving this letter because you are the registered owner within the boundary of the Hart Highlands Sanitary Sewer Local Area Service (LAS) Phase 4 project. Many homeowners in your area have requested a connection to the City sanitary sewer system similar to those completed nearby.

In order for construction to take place, the project needs to be approved by property owners and City Council. To help you make an informed decision, we encourage you to review the following package which includes more details about the project and the petition process. The City will be holding a public meeting on **Wednesday, June 28, 2017** to provide information and answer questions prior to the formal petition process. If you cannot attend the public meeting and would like to, please contact Ian Sinclair. If enough people are interested, the City will host a second public meeting for those who cannot attend.

Next Steps:

- **Pre-Petition Information Session:** Wednesday, June 28, 2017 at 7:00pm at Heather Park Elementary (7151 Heather Park Rd.)
- **Formal Petition:** The City will mail a formal petition to property owners June 30, 2017. Petitions supporting the LAS project must be signed by property owner(s) and returned to City Hall by 5:00 pm, July 31, 2017. Any petitions not received by the deadline cannot be accepted and will count against the LAS project and corresponding local service tax.

If the neighbourhood successfully petitions for this project, the following steps will be taken:

- **Formalization of the Local Area Service (LAS):** A bylaw to establish the local area service will be brought forward to City Council for approval.
- **Individual Connection Recommendations:** An engineering consultant will meet with property owners and provide recommendations specific to each property about how and where to connect.
- **Project Coordination:** The City will incorporate connection recommendations and plan construction activities.
- **Construction:** Construction would start in May 2018 and last 2-3 years depending on available crews.

Petition and LAS Requirements:

In order for the LAS project and installation of a new service to proceed, the following is required:

Property owner approval

- A petition must be signed by the owners of at least 50% of the parcels that would be affected.
- Collectively, these parcels must represent greater than 50% of the total assessed value of land and improvements in the local service area.
- If a parcel is owned by more than one person, a majority of the owners must sign the petition.
 - If the parcel has two owners, both must sign.
 - If the parcel has three owners, at least two must sign.
- If you do not support the local area service project, you do not need to take any action. Unsigned petitions do not need to be returned.
 - Not responding will automatically count as a vote against the LAS project and corresponding local service tax.

City Council approval

- City Council must pass bylaws to approve the LAS project and approve the loan request.
- The inspector of Municipalities must approve the LAS loan.

Estimated Costs

The estimated cost that will be included in the Formal Petition is **\$27,000** per lot. This number represents the highest probable cost based on City crews. It includes a 20% contingency (buffer) to account for circumstances such as bad weather or difficult soil conditions. If actual project expenses are lower, then any savings will be reflected in the amount paid by homeowners.

Contractor Pricing

In the process of arriving at the \$27,000 per lot cost, City staff engaged Stantec Engineering who worked with local contractors to provide an estimated "contractor price" cost for the project. Stantec estimates that the contractor price would be slightly higher than \$30,000 per lot. Because the project engineering drawings are not at a bid-ready stage for receiving official quotations and there are revisions to the design that can be made to help reduce cost, the "contractor price" at this stage cannot be considered a quote for construction. By revising the design and by combining the sewer project with needed upgrades to the water mains, which will improve fire protection flow and aging water system infrastructure, the City is confident that if the project is contracted the formal petition cost of \$27,000 per lot will not be exceeded.

The City will evaluate the benefits of having a contractor perform the work. One advantage may be that a contractor could dedicate more resources (construction crews) to the project and reduce construction time.

Private Connection Costs

The City will provide a service connection to the property line, but it is the home owner's responsibility to hire a certified plumber to make the connection and any modifications to private sewer systems, including decommissioning the existing septic tank and system. The cost of this connection varies as each property is unique and connection methods vary. The City has contacted plumbing companies who have performed work in previous phases. Private connection costs from previous phases were estimated to be between \$2000 and \$7000 for most properties depending on the complexity of the connection.

Utility Fees

Sanitary utility fees are applicable, on a pro-rated basis, when a property owner connects to the sewer system. After a 2 year grace period utility fees are applicable for all properties, connected or not. Sewer utility fees cover operation and maintenance like sewage transportation and treatment. Flat rate sanitary sewer utilities fees for 2017 are \$222.60 for 6 months. Metered utility rates are also available and are based on metered water usage.

Repayment

If the LAS project is approved, the City will request a loan from the Municipal Finance Authority (MFA) and property owners will repay the loan. Property owners will be responsible to pay their portion of the costs regardless of how they voted in the formal petition process. The total cost of the sanitary sewer project will be divided equally among all the benefiting properties and can be paid in two ways:

- **Paid annually** over a period of 20 years with an estimated 3.0% interest rate. The annual local service tax will be \$1815 or less depending on final construction costs. The remainder of the debt may be paid in full at any time during the 20 year period.
- **Single lump-sum payment.** Property owners may pay directly or acquire a private loan to pay the lump sum amount.

The LAS charges will not be applied until the year after all construction is completed. For example, if the project is completed in 2020, then LAS charges will not be applied until 2021. The local service tax will be subject to the same late fees as property taxes.

Funding

If the LAS project is approved, the City will replace old watermains and services with larger watermains and services along-side the sanitary LAS work to update the water piping and improve water capacity for fire flows. The replacement of the water system at the same time as the sanitary sewer LAS helps to reduce the number of major infrastructure projects and service interruptions in the area. This strategy allows the costs of excavation and road building to be shared by the City and property owners. If the LAS and watermain replacement are confirmed in your area, funding sources are as listed below:

City Water Reserves – If the LAS is approved and the City upgrades the watermain in the area to increase fire flows to meet current standards. The watermain installation and a portion of the excavation and restoration work will be paid for by the City Water Budget.

City Road Reserves – The excavation for the underground pipes will completely remove the road. A new road will be built after pipe installation but wider and with new asphalt. Road widening and a percentage of the remaining asphalt costs will be paid for from the City Roads Budget.

Property Owners Contribution – The property owners will pay for the installation of the new sewer main, sewer service to each lot and a portion of the restoration costs. The repaving cost will mostly come from City water and roads funding sources because of the age and condition of the existing asphalt. The remaining 12.5% of the asphalt paving cost will be paid by the property owners.

Additional Information:

Real Estate Value

At the property owners request, the City looked into what impact the LAS project would have on property values. Unfortunately the City was unable to reliably forecast or analyze the effect of LAS projects on real estate values. The market in Prince George has been steadily rising and there is not enough data history within existing LAS areas to determine what effect if any is due to an LAS project.

Webpage

Please visit the project webpage www.princegeorge.ca/LAS. The webpage provides a copy of all documents distributed to property owners, presentation materials, meeting minutes, maps, frequently asked questions as well links to related information resources. If you are new to the area these documents may help you understand the projects history.

Frequently Asked Questions

Frequently asked questions have been collected from previous phases of the project and answers to commonly asked questions are available on the project webpage.

Onsite wastewater systems

Onsite wastewater systems are regulated by Northern Health and design and installed by Registered Onsite Wastewater Professionals and Practitioners (ROWP). More information from Northern Health and ASTTBC is available on the internet at www.northernhealth.ca and www.owrp.asttbc.org. Links to relevant pages can be found at www.princegeorge.ca/LAS under related links.

If you have any questions, please feel free to call.

Sincerely,
CITY of PRINCE GEORGE



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