



Sunbreaker Cove 2018 Annual Information Meeting

Rainy Creek Hall

Saturday June 23, 2018

10:00 am – 12:00 Noon





Sunbreaker Cove 2018 Annual Information Meeting

Introduction of New Council Members



Mayor – Teresa Beets

- Full-time resident since 2011, elected to council in 2010
- Interested in the protecting the Community, Lake and environmental projects



Deputy Mayor – Jim Willmon

- Seasonal resident since 2009, elected to council in 2017
- Interested in fulfilling civic responsibility and giving back to the community!



Councillor – Keith Kimball

- Full-time resident since 2005, elected to council in 2017
- Passionate about safeguarding the lake and a vibrant community



Sunbreaker Cove 2018 Annual Information Meeting

Municipal Wastewater Project Update

Project Advisor – Michael Wuetherick





Sunbreaker Cove Wastewater Project Update

Wastewater Discussion Items:

1. Regional Wastewater Treatment Initiative

- Change is coming, why are we investing in wastewater treatment?

2. Sunbreaker Wastewater Project Update

- SLRWWC – \$42 mm project to tie into Red Deer Treatment Plant
- Overview of March 2018 Information Bulletin for Residents

3. Focus Areas for 2018-2019

- Bylaw Preparation – Borrowing Bylaw & Utility Bylaw

4. What's next?

- Timing, schedule, next steps



Sunbreaker Cove 2018 Wastewater Project Update

Change [cheynj]

Verb (used with object), changed, changing

- 1. To make the form, nature, content, of (something) different from what it is or from what it would be if left alone.**

Why do we need to put in a wastewater pipeline?

- Septic Fields have been used for over 40 years, why change now?
- If fields aren't illegal why should we build a collection system?
- Sunbreaker Cove can't afford this project....we don't need it!



Sunbreaker Cove 2018 Wastewater Project Update

Future [fyoo-cher]

Noun

1. Time that is to be or come hereafter.
2. Something that will exist or happen in time to come.
3. A condition, especially of success or failure, to come

Assessing the need for change requires a look to the future, not the past!

- What will our community look like in 25 years, 50 years?
- What impact will our community have on the natural environment and the lake?
- What can we do today to preserve our community and watershed for the future?



Sunbreaker Cove 2018 Wastewater Project Update



Times they are changing!

- Land-use is evolving, homes are getting bigger
- Increased use means greater impact on the watershed
- Bigger homes...more people...more wastewater

Our community will continue to evolve with time!

- We may not be able to predict the future, but history tells us that change will happen
- **Let's take a look at where we have come from!!**





Sunbreaker Cove 2018 Wastewater Project Update



Sylvan Lake Camp – c.1900

- Those tents didn't have flushing toilets!

Kane Family Cabin c. 1910



Summer Cottage, Sylvan Lake, Alta.



Sunbreaker Cove 2018 Wastewater Project Update



Jarvis Bay – Original Jarvis Family home c.1920

- Clearly conservation wasn't a concern for these folks!





Sunbreaker Cove 2018 Wastewater Project Update



Norglenwold – Whitehold beach c.1920-30

➤ Bigger homes...more people...more wastewater!





Sunbreaker Cove 2018 Wastewater Project Update



Birchcliff – Finn Property c.1940

- Moving west towards Sunbreaker Cove



Archives courtesy of Michael Dawe



Sunbreaker Cove 2018 Wastewater Project Update



Sunbreaker Cove – Today!

- Our community features a variety of older cabins, and newer homes.
Change is occurring and will continue into the future
- Environmental sustainability is a long term goal in everyone's interest

We are not doing this alone!

- SBC is a member of the Sylvan Lake Reginal Wastewater Commission. All 8 jurisdictions around the lake are participating
- Funded by Water-for-Life projects which pays for 90% of regional public infrastructure





Central Alberta Regional Wastewater (CARWW) System

- The CARWW System will gather regional wastewater for treatment in Red Deer

North Red Deer Regional Lateral (“NRDRWSC”)



- 28 km gathering system servicing the Towns of Blackfalds and Lacombe, and portions of the Counties of Lacombe and Red Deer
- **\$71 mm project currently under construction, came online May 2018**

South Red Deer Regional Lateral (“SRDRWC”)

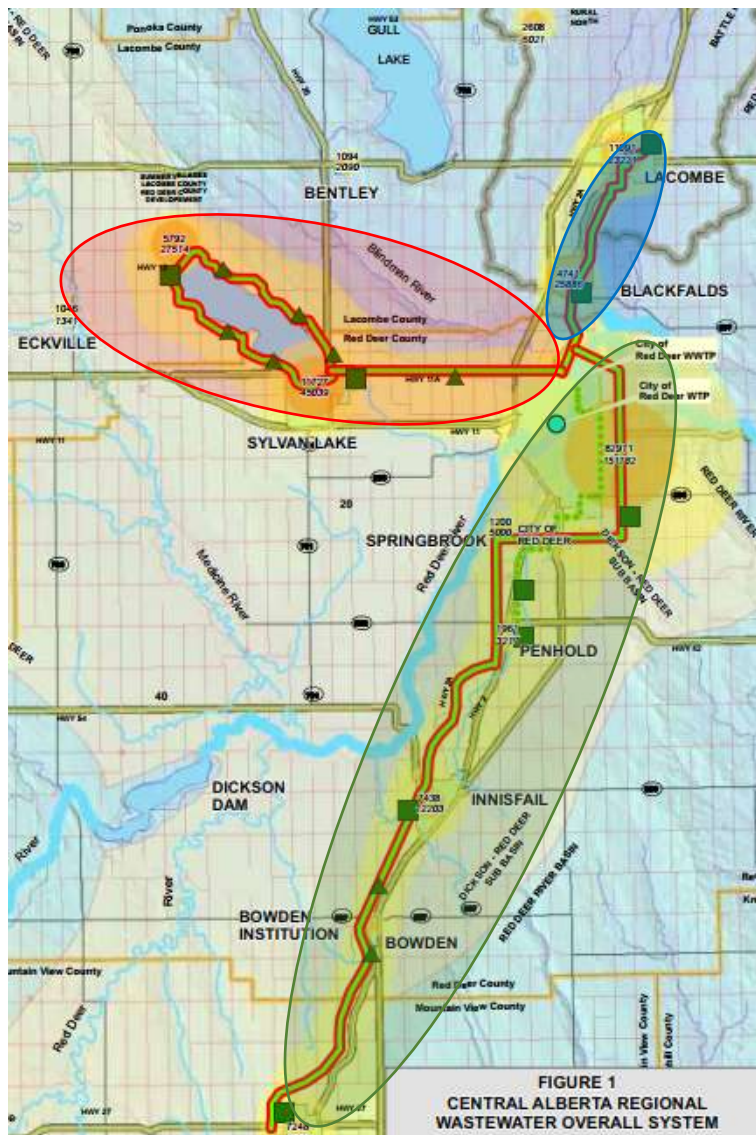


- 90 km gathering system servicing the Towns of Olds, Bowden, Innisfail, Penhold, and portion of the Counties of Mountainview and Red Deer
- **\$140 mm project completed in 2016**

Sylvan Lake Regional Wastewater Commission (“SLRWWC”)



- 34 km gathering system servicing the Towns of Sylvan Lake, Summer Villages and lakeshore development areas of Lacombe and Red Deer counties
- **Sunbreaker Cove is a member of the SLRWWC**
- **\$41.2 mm estimated cost, currently under construction aiming for April 2019 start-up**





Sunbreaker Cove 2018 Wastewater Project Update

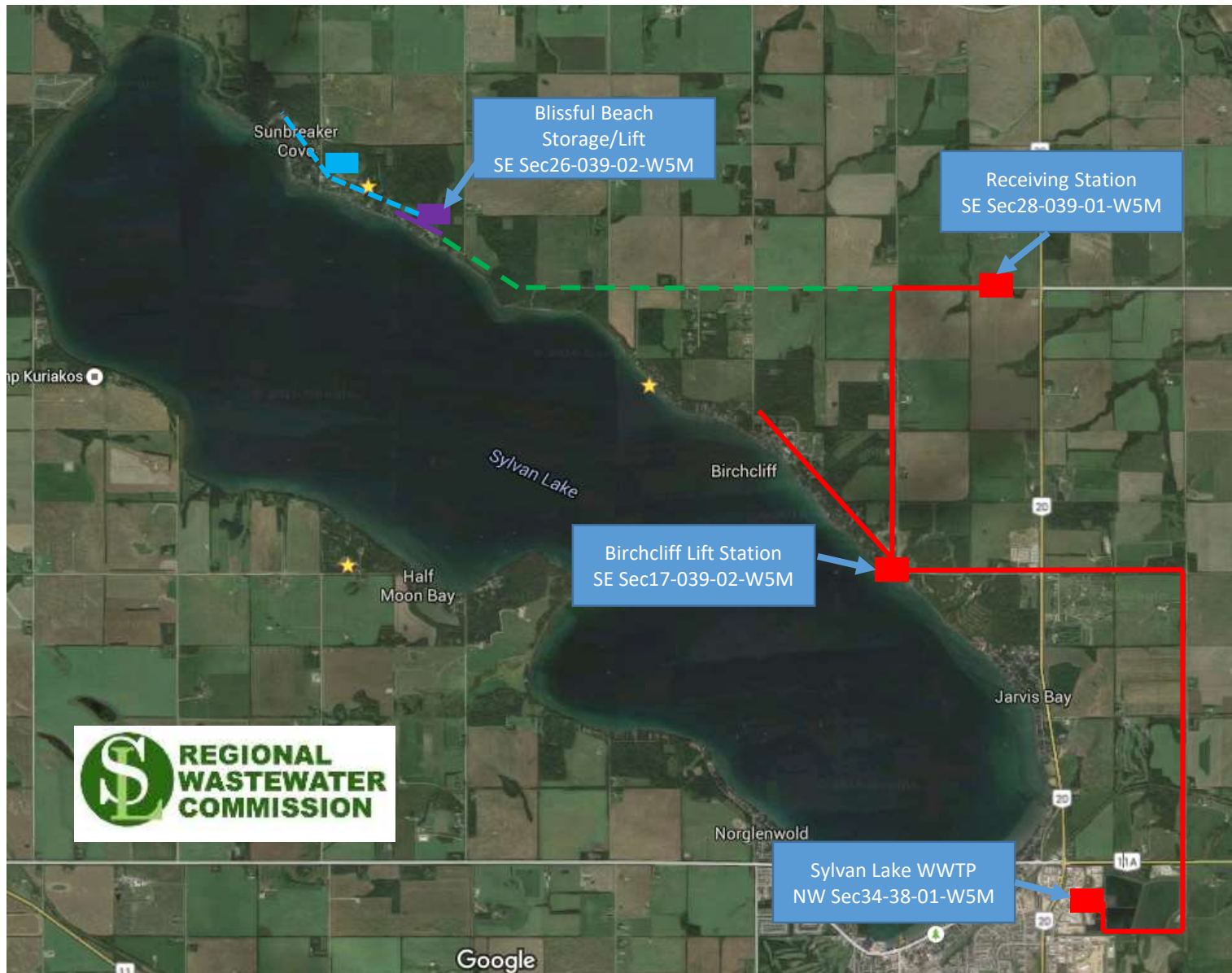
SLRWWC – Primary Line Construction and Sylvan Lake Lifting Station Upgrade Project

- \$42 mm project funding announced in May 2017
- Construction recently kicked-off with excavation of the new Sylvan Lake Lifting station (\$8 mm)
- Pipeline will be built using HDPE DR-11 600 mm pipe (24”) from Sylvan to Red Deer treatment plant.
 - Construction of the pipeline will begin in early July
 - Right-of-way is on the south side of highway 11A
- **Target completion date is April 10, 2019**





Sunbreaker Cove 2018 Wastewater Project Update



Existing Infrastructure:

- Septic receiving station located ¼ mile west of HWY-20 on the Aspelund Road
- 12 km of wastewater mainline connecting Septic station and Birchcliff to SLWWTP

Phase 2 North Shore Lateral (Future) - - - -

- Planned mainline expansion and Lift Station to pick-up Blissful and Sunbreaker Cove
- Estimated Cost +/- \$3.7 mm

Blissful Beach Collection System

- All wastewater is collected and trucked to the receiving station
- Built in 2015 and designed for eventual tie-in to the Phase 2 lateral expansion

Sunbreaker Cove System (Future) - - - -

- Detailed engineering completed, estimated project cost is \$3.4 mm
- Targeting construction in summer 2020-2022?



Sunbreaker Cove 2018 Wastewater Project Update



New in 2018: Information Bulletin for Residents

- An extensive bulletin was mailed to all residents in March 2018

Summer Village of Sunbreaker Cove Municipal Wastewater Collection Project Information Bulletin for Residents

March 8th, 2018

Dear Residents,

As many of you are aware, the Summer Village of Sunbreaker Cove ("SBC") has been working towards construction of a municipal wastewater system ("the Project"). For over 17 years, council's past and present have been preparing the community for the transition from the current disposal practices to a regional collection system.

The objective of this bulletin is to provide residents with information on the project including:

- **Comprehensive overview outlining the important key components of the project.**
- What is the rationale for the project?
- What are the expected capital and operating costs each home owner can expect?

Important take-away's from the Bulletin

- Provides estimated capital and operating costs per home
- Answers to many of our residents FAQ's about the project
- Proposed financing plan for the municipal system



Sunbreaker Cove 2018 Wastewater Project Update

Summer Village of Sunbreaker Cove Sanitary Collection System Summary of Capital Expenditures and Financing (as at January 15th, 2017)

<u>Collection System Capital Costs</u>	
Construction Cost Estimate	\$2,781,920
Contingency	
Contingency %	10%
Contingency Amount	\$278,192
Total Construction Costs	<u>\$3,060,112</u>
Engineering and Professional Services	
Estimate	\$350,000
% of Construction Costs	11%
Total Project Costs	<u><u>\$3,410,112</u></u>

<u>Funding</u>	
Grant Funding	
<u>Municipal Sustainability Initiative (MSI)</u>	
Total MSI Funds Available	\$694,957
<u>Sylvan Lake Regional Wastewater Commission</u>	
Funding for Lakeview Drive Segment	\$208,020
Own Sources	
Cash Reserves Available	\$1,500,000
Property Owners	
Local Improvement	\$1,007,135
Total Project Financing	<u><u>\$3,410,112</u></u>

- Capital costs will change as time goes on due to inflation, material and labour costs
- Funding formula will change as well depending on available reserves and MSI grants



Sunbreaker Cove 2018 Wastewater Project Update

Sensitivity Analysis - Impact of key drivers on the Local Improvement Tax

	2017 Base Case	+/- 5% change in capital costs	\$250,000 reduction in LIT Principle ⁽¹⁾⁽²⁾	+/-2% change in interest rates
One-time LIT Cost/lot	\$3,761	\$650	\$881	N/A
Amortized LIT cost per year/lot	\$238	\$40	\$59	\$51

Notes:

(1) Financing based on 25-year amortization at 4% interest rate

(2) Alberta Capital Finance Authority interest rates are fixed for the term of the debenture

- Current ACFA 25-year interest rate is 3.177%



Sunbreaker Cove 2018 Wastewater Project Update

<u>Sunbreaker</u> Cove Municipal Wastewater Project				
2021 – Forecast Capital and Operating Expenses				
	Permanent Resident		Seasonal Resident	
	Total	Per Year ⁽¹⁾	Total	Per Year ⁽¹⁾
Municipal Connection ⁽²⁾	\$8,000	\$507 ⁽⁴⁾	\$8,000	\$507 ⁽⁴⁾
Local Improvement Tax ⁽³⁾	\$3,721	\$237	\$3,721	\$237
Upfront Costs	\$11,271	\$744	\$11,271	\$744
Annual Operating Costs with capital paid upfront		\$777		\$486
Total Annual Costs		\$1,521		\$1,230

- (1) Reflects costs of residents electing to amortize both the installation and LIT costs.
- (2) Based on estimate of \$8,000 per household for connection. Includes cost of pump, electrical hook-up, direction drilling, and labour. Individual site costs will vary depending on each home owner's current set-up.
- (3) Assumes Local Improvement Tax is amortized at 25-years with a 4% interest rate.
- (4) Based on 25 year amortization of the connection cost over 25 years with a 4% interest rate.



Sunbreaker Cove 2018 Wastewater Project Update

Bylaw Discussion

- **Construction of the Municipal wastewater system is contingent on three factors:**
 - 1. Approval of grant funding for the SLRWWC Northern Lateral**
 2. Passing of a Borrowing bylaw to increase debt to be financed with the proposed Local Improvement Tax (LIT)
 3. Passing of a Utility bylaw which will specify tie-in requirements, timing and wastewater utility rates



Sunbreaker Cove 2018 Wastewater Project Update

Project Release – Reliance on SLRWWC Grant Funding Approval

➤ Timing for construction is currently not in our control:

1. **SBC will not commence field construction until the SLRWWC has commenced construction on the North Leg lateral from Birchcliff, and the (proposed) Blissful Beach lifting station**
2. SBC has requested the SLRWWC to begin engineering design and funding applications for the Northshore Lateral and Lift Station (Estimated capital cost of \$3.7 mm)
3. Funding within the Water-for-Life project is significantly lower than the 2017 grant
 - SLRWWC competes for grant funding with projects throughout the province
 - **Probable time-frame for construction is within the next 5 years???**



Sunbreaker Cove 2018 Wastewater Project Update

Bylaw Discussion – Borrowing Bylaw

- **The municipal system will be financed with long-term debt of roughly \$1 mm**
 1. A borrowing bylaw will be required to implement the Local Improvement Tax, and to request Ministerial approval for expanded debt.
 2. As required by the MGA, a public hearing is required for Borrowing bylaws.
 3. Proposed LIT will be allocated on a per lot basis at an estimated cost of \$3,761 per lot. Homeowners will have an option to amortize over 25 years at roughly \$237 per year.



Sunbreaker Cove 2018 Wastewater Project Update

Bylaw Discussion – Utility Bylaw

- **Prior to start-up, a Utility Bylaw will be required**
 1. Utility bylaws outline specifics of tie-in requirements, time allowed for compliance, penalties and fees for not tying in, etc.
 2. The Utility bylaw will also set the utility rates to be charged using a combination of fixed monthly fees, consumption charges etc.
 3. Council is reviewing several approaches to calculating the utility rate
 - Your input is important!



Sunbreaker Cove 2018 Wastewater Project Update

Bylaw Discussion – Utility Rates

- The original business plan was based on a postage stamp approach (i.e. same cost for everyone)
- All other summer villages use a postage stamp approach to allocate costs
- Info Bulletin proposed a volume based system to account for seasonal vs. permanent residents
- Other options may include a monthly administration fee, plus a volume based rate
- Water metering is not economically practical given lack of potable water meters

Sensitivity to Allocating Fixed Costs to All Homes:

	Current Volume Basis 0%	Typical Municipal 15%	Postage Stamp 100%
Assumed Fixed Cost % of Total			
Fixed Costs	\$ -	\$ 21,176	\$ 141,176
Annual Fixed Cost per Lot	\$ -	\$ 80	\$ 531
Variable Costs	\$ 141,176	\$ 120,000	\$ -
Allocation to Perment	\$ 31,369	\$ 26,663	\$ -
Permanent Variable Costs per Lot	\$ 777	\$ 650	\$ -
TOTAL PERMANENT COST	\$ 777	\$ 730	\$ 531
Allocation to Seasonal	\$ 109,808	\$ 93,336	\$ -
Seasonal Variable Costs per Lot	\$ 486	\$ 415	\$ -
TOTAL Seasonal COST	\$ 486	\$ 494	\$ 531



Sunbreaker Cove 2018 Wastewater Project Update

Wastewater Discussion – Any questions?



Vs.

