



BATHGATE WATERLINE PROJECT UPDATE

In March 2015, the County held an Open House to inform interested residents of the status of the Bathgate Waterline Project. At that meeting, we heard that the proposed waterline route needed some adjustments and that residents were concerned about the cost of the project. The County indicated that we would continue with design work and prepare an estimate of the probable cost.

Since the March Open House, the following progress has been made:

1. The preliminary design report was completed. The system has been designed for in-fill by single family homes and not for expansion.
2. Geotechnical testing was completed.
3. Application was made to Alberta Transportation to place the waterline within the highway right-of-way. A crossing permit was approved, which will save approximately \$30,000 on the total project cost.
4. The design route was finalized based on input at the Open House and a subsequent resident questionnaire. Two optional extensions are included – one for a ¾ mile extension to serve two residences and the second for a 3 ¾ mile extension to serve one residence.
5. The County submitted an application under the Building Canada Fund for construction of the waterline. The application was not approved, therefore the only confirmed funding for the project is a Growing Forward 2 (Provincial) grant for pre-engineering costs, to a maximum of \$90,000. Clean Harbors has provided funding in 2014 and 2015 (year to date = \$180,000), but this source of funding is not guaranteed in the long term - it can be discontinued at any time.
6. Pre-tender estimates were prepared, as follows:

	<i>June 2015 Design Route</i>	<i>Add Option 1 Extension</i>	<i>Add Option 2 Extension</i>	<i>Total</i>
<i>Construction</i>	2,664,240	86,425	319,710	3,070,375
<i>Engineering</i>	80,751	2,600	9,600	92,951
<i>Contingency</i>	266,409	8,645	31,970	307,024
<i>Total</i>	3,011,400	97,670	361,280	3,470,350

What's Next?

The County has met with the executive of the Bathgate Water Co-Op to discuss various options and the County's policies regarding capital project financing.

According to County policy, utility projects are funded 50% by the County and 50% by the landowners after grant funding is applied to the project. In addition to the landowner's share of the main line, each property owner will pay an additional hook-up fee which will vary depending on the distance from the service connection to the landowner's house.

With a total project cost of approximately \$3.4 million, if no funding is received, the County will have to borrow up to \$1.7 million and the landowners will have to raise \$1.7 million in financing.

If the County was able to secure a \$3,400,000 loan at an interest rate of 2.764% over 25 years, annual payments would be approximately \$189,258 (the amount of \$189,000 will be used for discussion purposes). The County and landowner group would each be responsible for one-half of the annual loan payment (\$94,500 per year).

What are the Options?

The following options are available for Beaver County Council to consider:

1. *Proceed with Project as per Policy*
Clean Harbors' grant is applied to the overall project and therefore divided equally between the County and the landowner group. At a funding level of \$120,000 (or \$60,000 for each group), loan payments would be reduced to \$34,500 per year for each group. Note, however, that the Clean Harbors' grant is not guaranteed.
2. *Proceed with Project under Modified Policy*
Clean Harbors' grant is applied to the landowner group's payment first. At a funding level of \$120,000, the grant would cover the entire landowner group's payment with \$25,500 remaining to be applied to the County's loan payment. The County's portion of the loan payment would be reduced to \$69,000 per year. Note, however, that the Clean Harbors' grant is not guaranteed.
3. *Proceed with Project in Phases*
Construction proceeds in phases (for example, Phase 1 could be a waterline extension to Township Road 504). This option would reduce the current cost but would serve less people, and it could lead to a higher overall cost once all phases are completed.
4. *Delay Project until Grant Funding is Available*
This option could result in lower loan payments if funding could be secured before construction costs increased.
5. *Delay Project until Clean Harbors' Grant is Guaranteed*
This option could result in lower loan payments if a guarantee could be obtained from Clean Harbors before construction costs increased.
6. *Cancel Project*
The project could be cancelled with residents continuing to haul water from the local truckfill station.
7. *County Constructs the Waterline*
The County could use its own resources to construct the waterline in an attempt to reduce the cost. Both the County and the landowner group would still be required to contribute to the cost of the project.

In addition to these options, the Bathgate Water Co-Op Executive has suggested the following alternative:

8. *Co-Op Purchases a Water Truck*

A water truck could be purchased from the Clean Harbors' grant and used to deliver water to Ryley area residents who are unable to haul their own water. This option could be in place until a grant is secured for the waterline construction or as a long-term solution.

Feedback

Council is interested in your opinion regarding these options or any other feasible alternatives, and invites you to an Open House at the Ryley Community Hall on November 30, 2015, between 5 pm and 7:30 pm.

There will be no formal presentation; rather Council and staff will be available to discuss the options and gather your feedback.

Your attendance is encouraged and your feedback will be considered by County Council as it decides the future of the project.