

**TOWNSHIP OF LANARK HIGHLANDS**  
**SEWER & WATER PROJECT**

*Public Information Session*  
*Monday, October 26, 2009*



**AGENDA**

1. INTRODUCTION
2. PROJECTED COSTS & FINANCING  
*30-Minute Question Answer Period*
3. PRELIMINARY DESIGN OVERVIEW
4. TREATMENT PLANT – ESR ADDENDUM SUMMARY
5. QUESTIONS & ANSWERS
6. CLOSING REMARKS & ADJOURN

The Sewer and Water Project evolved out of an Environmental Study Report initiated by the 2001 Township Council. That extensive study - completed in 2008 - recommended the installation of a full communal sewer and water system in Lanark Village as the only suitable approach to permanently eliminating a rising drinking water and water aquifer contamination problem existing in Lanark Village.

The importance of modern water and sewage treatment services as a spur to the economic revitalization of the Township's commercial core; to the growth and diversification of our tax base and to financial health and sustainability into the future were also identified as key project drivers.

Our present Council authorized the Project's preliminary design in the spring of 2008. Having now (on September 8<sup>th</sup>, 2009) received the project cost projection based on the preliminary design to date, the Mayor and members of Council are very pleased to welcome you and to deliver the information you'll receive tonight.

## ***WHY THIS PROJECT ?***

- ▶ ***ELIMINATE DRINKING WATER CONTAMINATION***
- ▶ ***ELIMINATE AQUIFER & SOURCE WATER CONTAMINATION***
- ▶ ***REJUVENATE THE TOWNSHIP'S COMMERCIAL CORE***
- ▶ ***DIVERSIFY THE TOWNSHIP'S TAX BASE***
- ▶ ***BE COMPETITIVE WITH SURROUNDING COMMUNITIES***
- ▶ ***LONG-TERM FINANCIAL HEALTH & SUSTAINABILITY***

### ***OUR ASSESSMENT BASE IS ALMOST TOTALLY RESIDENTIAL***

***HEAVY TAX BURDEN ON OUR HOMEOWNERS***

***RESIDENTIAL TAXES 96%***

***FARM & FOREST TAXES 2.1%***

***COMM. INDUSTRIAL TAXES 1.9%***

***VERY RESTRICTED FINANCIAL BASE FOR OUR TOWNSHIP***

## ***PROJECT COSTS & FINANCING***

### ***ASSUMPTIONS WORST CASE SCENARIO***

- SERVICE TO VILLAGE CORE ONLY
- MAXIMUM 2/3 FED-PROV. FUNDING
- NO AFTER-BUILT FED / PROV. FUNDING
- DESIGN COSTS WILL NOT BE FUNDED
- GROWTH - 4 HOUSEHOLDS PER YEAR OVER 20 YEARS
- MANDATORY CONNECTION TO SYSTEM
- WILL NOT RECEIVE \$400,000 FCM GRANT

## ***\$28.5 MILLION SEWER & WATER PROJECT COST INCLUDES***

- ▶ Design
- ▶ Construction & Construction Admin.
- ▶ General Admin (Township)
- ▶ Land Acquisitions
- ▶ Legal Services
- ▶ Decommissioning Of Wells & Septic Systems



## ***PROJECT REVENUES***

<b>Investment</b>	<b>\$ 7,900,000</b>
<b>From Sale of PUC</b>	<b>265,000</b>
<b>Fed / Prov Funding</b>	<b>17,816,089</b>
	<b>\$ 25,981,089</b>

## ***USE OF PUBLIC UTILITIES SALE PROCEEDS - \$613,000***

<b><i>Environmental Study Report</i></b>	<b><i>\$ 348,000</i></b>
<b><i>Spent on Project</i></b>	
<b><i>Land Acquisition</i></b>	<b><i>\$ 106,848</i></b>
<b><i>Twsp. Admin, &amp; Prelim. Design</i></b>	<b><i>\$ 158,152</i></b>
	<b><i>\$ 265,000</i></b>
	<b><i>\$ 613,000</i></b>
<b><i>BALANCE - ZERO</i></b>	

**SHARE OF NET COST  
TO ALL LH TAXPAYERS**

<b>MUNICIPAL BUILDINGS</b>	
<i>4% of net project cost</i>	<b>\$ 100,756</b>
<b>COMMERCIAL REVITALIZATION</b>	
<i>1% of net project cost</i>	<b>\$ 25,189</b>
<i>Benefits all Township homeowners</i>	
<b>SEPTAGE TREATMENT</b>	
<i>Benefits all Township homeowners</i>	<b>\$ 159,507</b>
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	<b>\$ 285,452</b>

**TAX IMPACT  
ON ALL TAXPAYERS**

***\$10.53 per year  
for 10 YEARS***

*On a home assessed at \$150,000*

***DIFFERENCE TO BE MADE UP BY  
VILLAGE HOUSEHOLDS***

<b>PROJECT COST</b>		<b>\$ 28,500,000</b>
<b>REVENUES</b>	<b>\$ 25, 981, 089</b>	<div style="font-size: 3em; line-height: 1;">}</div> <b>\$ 26, 576,812</b>
<b>TWSP TAXPAYERS</b>	<b>\$ 285,452</b>	
<b>NEW DEVELOPMENT</b>	<b>\$ 251,891</b>	
<b>OTHERS (ie: School Boards)</b>	<b>\$ 58,380</b>	
		<b>\$ 1, 923,188</b>

***VILLAGE HOUSEHOLDER'S  
SHARE OF PROJECT COST***

- ▶ 312 equivalent households
- ▶ If Cost equally shared among equivalent households

***\$ 6,164***  
*per household*

***MONTHLY COST  
PER VILLAGE HOUSEHOLD***

*if project cost share financed over 15 years*

<b>Project Cost Share</b>	<b>\$ 47</b>
<b>Operation &amp; Maintenance</b>	<b>\$ 58</b>
<b>Capital Reserve</b>	<b>\$ 13</b>
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	<b>\$ 118</b>

***MONTHLY COST  
PER VILLAGE HOUSEHOLD***

*if project cost share paid up front*

<b>Project Cost Share</b>	<b>-</b>
<b>Operation/Maintenance</b>	<b>\$ 58</b>
<b>Capital Reserve</b>	<b>\$ 13</b>
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	<b>\$ 71</b>

## **PLUS - POTENTIAL ONE-TIME COSTS TO VILLAGE HOMEOWNER**

- ▶ **Water piping from street**      \$60/meter – if installed with sewer line
  - ▶ **Sewer piping from street in excess of 40 meters**      PROPOSED
  - ▶ **Internal plumbing**
  - ▶ **Sewer & water connections**
  - ▶ **Rendering well connections unusable**
  - ▶ **Water meter installation & inspection**
- } up to \$ 3,000

## **IN SUMMARY**

### **ASSUMING WORST CASE SCENARIO**

#### **VILLAGE HOUSEHOLDERS**

**\$ 1, 923,188**  
Share of net project cost

**\$ 6,164**  
per household

**\$ 118**  
All-in per month  
if project cost share  
financed for 15 years

**\$ 71**  
All-in per month  
if project cost share  
paid up front

+ potential  
one-time costs

#### **ALL TAXPAYERS**

**\$ 285,452**  
Share of net project cost

**\$10.53**  
per year - for 10 years

**IF WORST CASE SCENARIO  
IS BETTERED**

- ▶ **All of Village Serviced**
- ▶ **\$400,000 FCM Grant Received**

**VILLAGERS**

**\$ 4,211**  
per household

**\$ 103**  
All-in per month  
if project cost share  
if financed for 15 years

**\$ 65**  
All-in per month  
if project cost share  
paid up front

**ALL  
TAXPAYERS**

**\$ 8.85**  
per year - for 10 years

+ potential  
one-time costs