



GRAND BEND SEWAGE TREATMENT FACILITY & PUMPING STATION 2 CAPITAL PROJECTS

Information Session
August 22, 2017

Projects

- Projects are joint with the Municipality of Lambton Shores
- Share of projects costs (*as defined in agreement*)
 - *GBSTF - 35.3%*
 - *PS2 - 50%*

Final project costs

- Total project cost net of BCF funding is \$6,972,931.22
 - GBSTF \$6,492,131.50
 - PS 2 \$ 480,799.72

- South Huron share of final costs is \$2,717,539.37
 - GBSTF \$2,491,181.87
 - PS 2 \$ 226,357.50

Cost Recovery

- 20% of capital cost recovery amount will be deferred to future development
 - *Amount recovered by all sewer system users across the municipality*

- 80% of capital cost recovery amount will be recovered from benefitting properties in defined service area of Phase 1 of GBSTF project by;
 1. *Full amount paid up front; or*
 2. *Recovered on utility bills as a separate identified debt charge for properties with a utility bill account and as a separate identified amount on tax bills for properties that do not have a utility bill account*

Household Equivalencies

- 629 Household Equivalencies used in cost recovery calculations
- Methodology used
 - *Residential Properties*
 - Each single family lot = 1 household
 - Each home site in land lease properties = 1 household
 - Each vacant lot or home site = 1 household

Household equivalencies cont'd

- Methodology used

- *ICI Equivalency (Institutional, Commercial, Industrial)*

- 1. Allocated sewage capacity/373m³ per year
 - 2. Metered sewage flow/373m³ per year
 - 3. Metered water flow/200m³ per year X 80%
 - 4. Theoretical sewage flow using Ontario Building Code/373m³ per year
 - 5. Minimum equivalency per ICI properties = 1 household

Cost per household equivalency

Projects	Project Costs (net of BCF grant)	Less 20% Deferred to future development	80% Capital Cost Recovery
Grand Bend Sewage Treatment Facility	2,491,181.87	498,236.37	1,992,945.50
Pumping Station 2	226,357.50	45,271.50	181,086.00
Total	2,717,539.37	543,507.87	2,174,031.50
Number of Household Equivalencies			629
Cost per household equivalency			\$ 3,456.33

Payment options

- Full amount upfront due October 16, 2017
 - \$3,456.33 *per household equivalency*
 - *Once cost recovery by-law has been adopted (proposed date = September 5, 2017), letters will go out to all affected customers advising amount and due date if paid up front and an estimated debenture amount if they choose not to pay upfront*

- OR

Payment options

- If payment in full is not received by October 16, 2017 the amount will be debentured for a 20 year term
- Payment will be recovered through;
 - *Utility bills issued quarterly - based on timelines, anticipate first billing would occur in April 2018*
 - *Quarterly amount unknown at this time - dependent on amount that financed and interest rate at time debenture is finalized*

Estimated amortized amount

- The estimated per household debentured amount is \$4,744.63
- Above amount is based on a 20 year debenture at an estimated interest rate of 3.29%
- Estimated Annual amortized payment = \$237.23 paid in quarterly installments of \$59.31

Next Steps

- Commence Loan Application with Infrastructure Ontario
- Prepare and adopt Cost Recovery By-law
- Letters to benefitting customers/property owners advising of the amount owing and date due
- Once financing amount is determined, prepare and adopt Borrowing by-law (Infrastructure Ontario)
- Finalize Loan application with Infrastructure Ontario
- Notify Infrastructure Ontario - request to debenture (minimum 6 weeks)

Next Steps continued

- Finalize Financing Agreement, including debenture worksheet, treasurer's certificate, engage law firm for review of all documents
- Interest rate offer - 1 week prior to debenture by-law will receive offer from IO, must accept, sign and return within 24 hours
- Review of all documents and debenture by-law by external legal counsel
- Prepare and adopt Debenture by-law and amended cost recovery by-law

Next steps continued

- 2 days after adoption of above by-laws all original signed/sealed documents couriered to IO to be held in escrow until closing date
- Closing date, external legal counsel must contact IO to release documents from escrow
- Commence cost recovery on utility bills - based on timelines first billing anticipated to occur in April 2018