



Big Eddy Water Upgrade Project *Frequently Asked Questions and Answers*

- Q1 Will water meters be required once the project is complete?
- No, the City does not have a bylaw requiring the installation of water meters.
- Q2 Will the current watering restrictions change in the Big Eddy?
- As the Big Eddy system is separate from the City's existing system, and the existing Big Eddy restrictions appear to be working they would likely remain the same and be added to the City Bylaw.
- Q3 When can the residents of the Big Eddy subdivide or build?
- Some residential properties already can develop.
 - Other properties will require system upgrades prior to development approval.
 - It is recommended that developments in the areas where upgrades will benefit be given building permits in the year that upgrades are scheduled to occur. Occupancy permits would be withheld until completion and connection to the required water works.
- Q4 When will construction of the project start and finish?
- Some construction may start in 2016; design and a formal tendering process would need to occur before this.
 - The project will be phased, and likely completed in 3 years.
 - The City will communicate with the Big Eddy residents on the construction schedule as it is developed.
- Q5 What if my parcel does not currently use water or does not have an active connection?
- The annual water rates only apply to properties that are actively connected to the water system. However, a parcel tax applies whether water is used or not because the parcel tax funds the owner's portion of the overall system upgrades on a modified frontage basis that reflects parcel sizes.

Q6 What about Dolan Creek?

- The City would maintain a water licence on Dolan Creek for the Big Eddy's use. This watershed would be able to provide an alternative emergency supply, or may be necessary to supply future growth with a small treatment plant.

Q7 What if I am a property owner in the Big Eddy and I disagree with the City taking over the water system from the Big Eddy Water District?

- You would not sign the petition.
- If the 50% of parcels and the 50% of assessed values threshold is met the City will take over the water system and all Big Eddy residents will be liable for a parcel tax and user fees if they are connected to the system.

Q8 The Big Eddy water system is very simple compared to that of the City, why are the water rates slated to be the same as the City system?

- The rates would only be the same for the first year, after the first year the actual costs will be reviewed and the second year rates would be developed based on the first year's actual costs.
- The current (2015) City water rate of \$385 for residential customers is less than the future expected rate for Big Eddy Water users if the petition was unsuccessful.
- In future years, the rates would be set by Council based on expected operating costs and the need to build reserve funds for future capital upgrades.

Q9 Why are current residents paying for projects that are only necessary for future growth?

- All phases of the project are required for current needs and future growth.
- The project addresses existing water system capacity, storage and treatment deficiencies.
- The additional costs to design and build for future needs are requirements of the grant funding.
- Without the grant funding, Big Eddy water users would be paying for 100% of the required upgrades.

Q10 If the future water system will be the responsibility of the City why is the City not putting in any funding towards future development?

- The project phases proposed are expected to allow for development in the Big Eddy over the next 20 years or more. Any major upgrades beyond this timeframe or outside the scope of the project would be considered for a future DCC bylaw update or would be the responsibility of developers to fund.
- The City obtained 2/3 of the funding through senior governments for the Big Eddy Waterworks Upgrade Project. The City's 1/3 share is being financed through borrowing that will be repaid by benefitting properties.

Q11 Who was involved in deciding which projects should get done and in which priority? Why do the maps outline replacing the entire infrastructure when some of it is only 15 years old?

- The proposed upgrades were considered by a committee made up of Interior Health, Big Eddy Water Board members, and City of Revelstoke Engineering and Utilities staff, with technical guidance from MMM Group Engineers.
- The map does **not** indicate that all pipes would be replaced. The general replacement would be decided based on detailed design, age and condition assessment, fire flows and zoning.
- Only pipes that need to be replaced will be replaced.

Q12 What happens if the project goes over budget, who will be responsible for the increased cost?

- The project can't go over budget, if the bids come in over the estimates the project scope and/or timing will be adjusted.
- Detailed design work will not occur unless the Big Eddy property owners petition the Council to take over the provision of water and undertake the project.
- The detailed design will be used to tender the project whereby actual costs will be determined.
- The City intends to spend the maximum amount required to access all of the \$3.9M in federal / provincial grants available for the project. It is expected that the preliminary estimates provide adequate funds for the planned works but if costs come in higher than expected the project scope or timing may be altered.

Q13 If the Big Eddy Waterworks has a surplus already paid by residents, where will that go?

- The surplus will be held in a separate Big Eddy Water Utility account for future use on the Big Eddy Water system only.

Q14 Why are current development cost charges not available for this project?

- The Big Eddy Water utility is not a part of the current DCC Bylaw as it is a private utility.
- Big Eddy development have not and do not pay into the water DCC therefore these funds cannot be accessed.
- If the water utility becomes a City utility future Big Eddy Water upgrades will be included for consideration in proposed DCC bylaw updates.

Q15 The project costs include costs for pavement and excavation and many other factors other than just water - for which we pay property taxes.

- Generally, road work required as a result of water or sewer utility construction is paid for by the utility out of capital project funds from that utility.
- Some road and stormwater upgrades may occur at the same time as the water upgrades, usually taking advantage of the work being done to complete roads identified for repaving or other treatment in the pavement management plan. These works would be funded out of the roads paving budget.

Q16 What is the difference between the parcel tax for residents and commercial/industrial users?

- There is not a difference. All properties regardless of zoning or use will pay the same cost per meter of frontage.
- The parcel tax is based on a calculated frontage.
- Most residential properties will pay less due to their smaller frontage.

Q17 Does the City have an infrastructure emergency fund that would apply to all infrastructure in the entire city?

- No, the City has operating reserves that can be used for City owned and operated roads, buildings, pipes, facilities, fleet etc.
- If the petition is successful, the City will be building an operating reserve for the Big Eddy Water system as part of effective utility management.
- If there was a costly emergency in the Big Eddy system once the City became responsible, City council could elect to use general reserve funds to cover the cost and pay them back through utility fees.
- The City has assisted the Big Eddy Water Board during emergencies throughout the years.

Q18 What is the lending rate that the City is getting for the project and how much is being borrowed by the City? Do residents have an option of paying it off immediately instead of over 20 years? When does the parcel tax effect?

- The City is estimating a lending rate of 3%.

- The City is borrowing \$1,900,000.00 for the project.
- Yes, residents do have the option to pay off their portion in full and forego interest charges. Please contact the Finance Department at City Hall 250-837-2161.
- It is likely that the parcel tax will not come into effect until the project is complete and/or we know the precise amount of borrowing. The alternative is to borrow the full \$1.9 million as soon as the authorization bylaw passes and set the parcel tax sooner probably commencing 2017. Any funds left over from the project (i.e. excess borrowing) would go into a capital reserve fund specifically for the Big Eddy water utility.

Q19 Why don't my taxes cover the costs for the water upgrades?

- Water is a separate utility which is not funded through taxes, it is funded by user fees.
- Property taxes are not used to fund utility operations or capital projects.
- The taxes that the Big Eddy residents pay do not cover water utilities. Big Eddy residents currently pay into the Big Eddy Waterworks utility not the City.
- Property owners who are City water users pay water rates over and above their property taxes for the water utility system.
- General municipal taxes fund items such as parks, street lighting, snow removal etc.

Q20 Does the City have staff to operate the Big Eddy system?

- No additional Staff are proposed at this time.
- The City's utility staffing is expected to remain the same.
- Utility staff includes a foreman, treatment plant and distribution/collection system operators.

Q21 If the Big Eddy residents do not petition the Council for the local area service can the City use the grant funds for other City projects?

- No, if the federal / provincial grant funds are not used for the Big Eddy water system as applied for it is likely that those funds would be reallocated to another community based on the previous grant application intake and priorities. There will not be a second chance to reapply for the grant funding for this project.

Q22 The Big Eddy Water system seemed to be running fine until about a year ago. What happened to change the system so drastically?

- The Big Eddy Water Board wrote to the City in 2014 requesting a meeting to discuss the option for transferring ownership and responsibility for operating the Big Eddy water system to the City of Revelstoke. The Board

understood that there were issues that they were not properly equipped to deal with, including their inability to borrow for upgrades required by Interior Health and the provisions in the BC Building Code to permit some developments.

- The system is currently non compliant with Interior Health requirements.
- The City has been assisting the Big Eddy Water Board with emergency repairs and maintenance for the past few years.