



175 Ingram Street
Duncan, BC V9L 1N8
www.cvrld.bc.ca

Office: 250.746.2500
Fax: 250.746.2513
Toll Free: 1.800.665.3955

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The Cowichan Valley Regional District (CVRD) would like to invite customers of the Saltair Water System to a public meeting on **Monday, April 8, 2019 at 7:00 pm at the Saltair Community Center (3850 South Oyster School Road)**. This will be an important meeting for customers to learn more about critical upgrades needed to the water system and provide input to your Area Director, Lynne Smith, and CVRD staff on decisions facing the community. In this letter we have provided some information to introduce some of the issues to be resolved.

Surface Water Treatment

As was discussed in past informational letters, the water treatment system requires upgrades to meet Provincial Regulations for surface water treatment broadly known as '4-3-2-1 Standards'. The CVRD has been working to explore options to meet the regulations and determine costs for each option. The three options explored are:

- (i) upgrading the treatment plant to include a filtration treatment system;
- (ii) combining the water treatment facility with the Town of Ladysmith; and,
- (iii) replacement of the existing surface water source (Stocking Lake) with a groundwater source(s).

The groundwater option is no longer considered as a stand-alone solution since the CVRD is facing increasing pressure from Island Health to comply with the regulation and, to date, sufficient quantities of groundwater have not been found. The groundwater exploration has however, provided valuable information for future planning and may be used to supplement the system to accommodate future growth.

Combined System with Ladysmith

An engineering report was completed to review the feasibility and costs associated with a combined water treatment facility with the Town of Ladysmith. Costs for this option include \$670,000 - \$970,000 in construction costs for the installation of the required interconnection pipeworks for both areas, plus an additional \$2.4 million in construction costs for a new combined treatment facility. Saltair's share represents 17.7% of the total cost to build the treatment plant (\$14 million). Annual costs would include: bulk water purchase at \$.62/m³ (approximately \$185,280/year) and approximately \$144,000/year in parcel tax to be paid to the Town of Ladysmith. Other ongoing operational costs now in place would continue.

Stand-alone System

Two engineering reports were completed between 2016 and 2019 to review various treatment technologies. The analysis included both capital and ongoing operational and maintenance costs. The option with the lowest overall cost has a capital cost of \$3.45 million. The annual operating cost is estimated at \$90,000/year, in addition to existing operational costs. A grant application has been submitted to help fund the capital cost of the treatment upgrade but the success of the application will not be known until later in the Spring 2019.

If we are fortunate and the grant application is successful, the funding will cover 73.33% of the project cost and the remaining 26.67% will require funding from the Saltair Water System Budget. If the grant application is not successful, the full capital cost will require funding from the Saltair Water System budget through long-term borrowing.

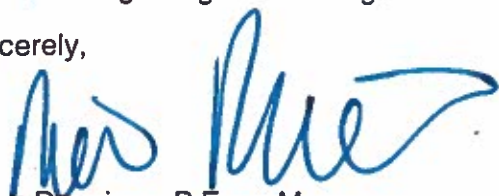
Stocking Lake Dam

Another area of the water system needing upgrades is the Stocking Lake Dam. The CVRD recently completed a risk assessment of all the dams in the region and this assessment identified serious upgrades that are needed to the dam. The Stocking Lake Dam stores water for the Saltair Water System and the Town of Ladysmith; the water is withdrawn through an intake in the dam. The risk assessment revealed repairs are needed within one year to address immediate concerns with large scale upgrade or replacement required in the future to address bigger structural deficiencies. These costs will be shared with the Town of Ladysmith as both parties share in the ownership of the dam. Preliminary cost estimates for these short and long term works range from \$1 million to \$1.4 million. More investigation and analysis will be carried out to confirm the approach required.

The public meeting on April 8, 2019 will provide more details on the surface water treatment options and the repairs needed to the Stocking Lake Dam as well as provide an update on the Watermain Upgrade Project. We encourage customers to attend the meeting; CVRD staff will provide a presentation on each topic followed by a question and answer period, an opportunity for input from customers..

Please contact Lisa Daugenet at 250.746.2530 or lisa.daugenet@cvr.bc.ca if you have any questions regarding the meeting.

Sincerely,



Brian Dennison, P.Eng., Manager
Water Management Division
Engineering Services

pc: Director Smith, Electoral Area G
Hamid Hatami, PhD., P.Eng., General Manager, Engineering Services
CVRD Engineering Technologists