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October 13, 2020

File No: 5600-30-SWS/01

Dear Saltair Water System Customer:

**RE: Saltair Water System Update; New Treatment Process and Borrowing Costs**

Further to our last correspondence of March 8, 2019, the Cowichan Valley Regional District (CVRD) would like to update you regarding the Saltair Water System.

As previously communicated, water treatment upgrades are required for the Saltair Water System to meet provincial regulations for surface water treatment. Island Health Authority has recently issued a Contravention Order to the CVRD under Section 26 of the *Drinking Water Protection Act* based on the CVRD failing to meet the terms and conditions of the operation permit, namely surface water treatment (filtration) for the Saltair Water System. Construction permits are no longer issued by Island Health for system upgrades preventing the CVRD from continuing with the pipe replacement program. Past efforts to achieve compliance have included the exploration of groundwater and an interconnection with the Town of Ladysmith. These options have proven not viable due to lack of finding adequate groundwater, to date, and due to higher costs associated with the interconnection with the Town of Ladysmith. The CVRD has submitted several grant applications through Investing in Canada Programs, one as recently as February 2020. We are hopeful the latest grant application will be successful, but as we can no longer delay the treatment upgrades, we are required to begin the process of public approval to borrow the funds required to upgrade the water treatment to include filtration.

The addition of filtration to the water treatment process will bring the system into compliance with Island Health's requirements and provide enhanced treatment to remove harmful chlorination byproducts. The chosen technology is membrane filtration that will remove organics and non-organics from the water. The estimated cost for the construction is approximately \$3 million, and approximately \$700,000 is required for contingency bringing the total cost of borrowing to \$3.7 million. Borrowing of the required funds will be through a long-term, low-interest loan from the Municipal Finance Authority. Financing over 20-years will mean an increase of approximately \$270 per year per parcel.

The treatment system will also require significant operations and maintenance costs estimated at approximately \$150,000 per year adding a further \$170 per year to customer charges. This would bring the current customers charges from \$760 per year to approximately \$1,200 per year.

In order to move forward with borrowing the funds for the filtration system, we need the approval of Saltair Water System customers. More details on the approval process will be communicated to customers shortly through direct-mail letters and upcoming public meetings.

The CVRD will be holding one virtual meeting and one or two public meetings to give customers an opportunity to learn more about the new water filtration plant and the public approval process.

Dates and time for the meetings are as follows:

### **October 20 at 1:00 pm – Webex Virtual Community Meeting**

To participate using a computer or other mobile device, please use the following link:

<https://cowichanvalleyrd.webex.com/cowichanvalleyrd/onstage/g.php?MTID=e21ff9083edb60d3d36c9dea6156c7b85>

To participate over the phone please call:

**1-844-992-4726 – When prompted use meeting #146 638 9874**

We encourage people to participate online as this will allow you to see the presenters and presentation material, and more easily participate in a Q&A. We also encourage residents to RSVP to the virtual meeting by emailing to [es@cvrd.bc.ca](mailto:es@cvrd.bc.ca). For those that RSVP by email, we can reply with that URL link so you can have it in your email allowing you to easily join on the day of the meeting.

### **October 28, 2020 at 7:00 pm – Public Meeting at Aggie Hall, 1110 First Avenue, Ladysmith.**

Due to COVID-19 restrictions, the public meeting will be restricted to 45 attendees; therefore, we ask that you pre-register by emailing to [es@cvrd.bc.ca](mailto:es@cvrd.bc.ca) if you plan on attending the in-person meeting so we can manage the number of attendees. Adequate spacing of 2m distance between people will be maintained, contact tracing, sanitizer and disposable masks will be available; masks are encouraged to be used by attendees.

If this date and time does not work for you, but you are interested in attending an in-person meeting, please email us at [es@cvrd.bc.ca](mailto:es@cvrd.bc.ca) to let us know. This will help us measure demand for scheduling an additional in-person meeting.

Due to COVID-19 and keeping people safe, we encourage people to participate in the virtual meeting.

The CVRD appreciates your support and we look forward to a safer and more secure water system. If you have any further questions or concerns, please do not hesitate to contact the undersigned at 250.746.2530 or email [Brian.Dennison@cvrd.bc.ca](mailto:Brian.Dennison@cvrd.bc.ca).

Kind regards,



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