

April 16, 2014

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### **City to proceed with Electoral Area D boundary extension proposal and application to Province**

City Council reviewed and approved a final proposal to be presented to residents and property owners in the northernmost portion of Area D and directed staff to prepare a formal application to the Ministry of Community, Sport and Cultural Development to begin a referendum process.

Details of Campbell River's final proposal for a boundary extension and sewer service in the area will continue to be posted on the City's website and be shared through a newsletter to affected properties as well as two more open house events before a June referendum. The next open house will be held from 5 to 8 p.m. at Oyster Bay Resort (4357 South Island Highway) on April 30.

Highlights of the final proposal:

- The proposed boundary extension area reaches from the current municipal boundaries south to Woods Creek, and east into the Strait of Georgia (Salish Sea) approximately 500 metres.
- Sewer service would be provided to approximately 530 properties in a local area service within the proposed boundary extension area, under the same construction timeline and funding conditions.
- Property owners would have the option of paying the \$9,300 per property construction cost in a lump sum or financing the cost over 20 years – likely starting in 2015.
- Once the sewer system is available for use, property owners would have up to five years to connect to the sewer system and pay the connection fee, currently set at \$1,800.
- Based on Ministry feedback that it is not preferable to create an island of unincorporated land surrounded by the municipality, the two large undeveloped lots on the western edge of the proposed boundary extension will be included in the proposed boundary extension, but these properties will not be included in the local area for sewer service.
- If the proposed boundary extension is approved by referendum of the affected local area electors, sewer construction could begin as early as fall 2014 / winter 2015.

The consultant's January 2014 report to Council estimated a financial impact of about \$123,435 to Area D. The Strathcona Regional District's review of the proposal estimated the impact at \$127,000, plus \$40,000 (portion of gas tax funding) for a total of \$167,000. Once the formal boundary extension application is submitted to the Ministry, the City will negotiate with the regional district options for financial assistance to lessen the impact of the proposed boundary extension.

Additional background information:

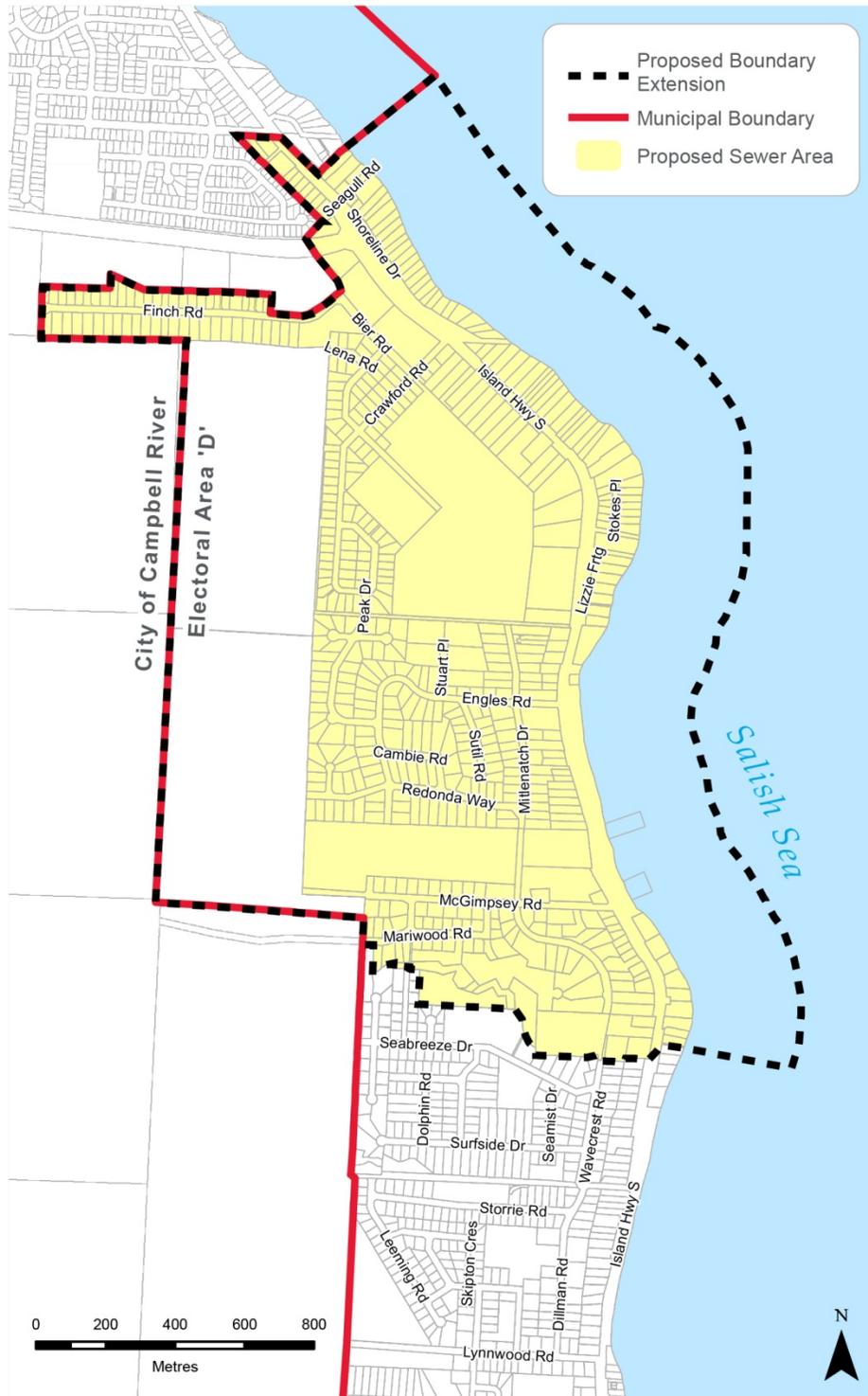
- The Province confirmed in March that a \$3.4 million Build Canada Fund grant to support sewer service in Area D would be available to support municipal sewer service in the event of a boundary extension – as long as people in the proposed boundary extension area agree to join the City.
- The Province also confirmed that it would be possible to extend the expiry date of the grant from March 31, 2015 to March 31, 2016.
- Both the transfer and extension of the grant would require a joint request by the regional district and municipality.
  - The proposal area represents 31 per cent of Area D population and 27 per cent of Area D property assessment value.
  - An environmental report in 2009 provided 20 sample locations, 17 of which showed fecal coliform bacteria counts greater than 4MPN/100ml, indicating septic influence. Some septic systems have likely been replaced, and others failed, since that time.

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