



St. Clements
The place to be

South St. Clements Utility Infrastructure

Low Pressure Sewer System

Local Improvement District

Project Description & Costs

Public Open House - January 30, 2023

Agenda

Welcome

Overview of Henderson Sewer Project

Project Update

Local Improvement District

Costs

Next Steps

Questions

South St. Clements Utility Infrastructure

- ▶ The Henderson Wastewater Sewer Project has been a number one infrastructure priority for the RM of St. Clements, a borrowing by-law was put forward in 2021, for the first phase of the project.
- ▶ The area around Lockport and to the south is home to about 4,000 people and the existing use of septic fields are not environmentally sustainable in the Red River corridor. The project will involve pumping the wastewater to East Selkirk lagoons and eventually expanding the lagoons.
- ▶ The overall project involves construction of an 8 km forcemain, construction of lift station in Lockport and decommissioning of undersized and aged treatment plant
- ▶ Completing the sewer is an important priority for the St. Clements council and administration and it reflects the RM's commitment to water protection both for today's families and for future generations.

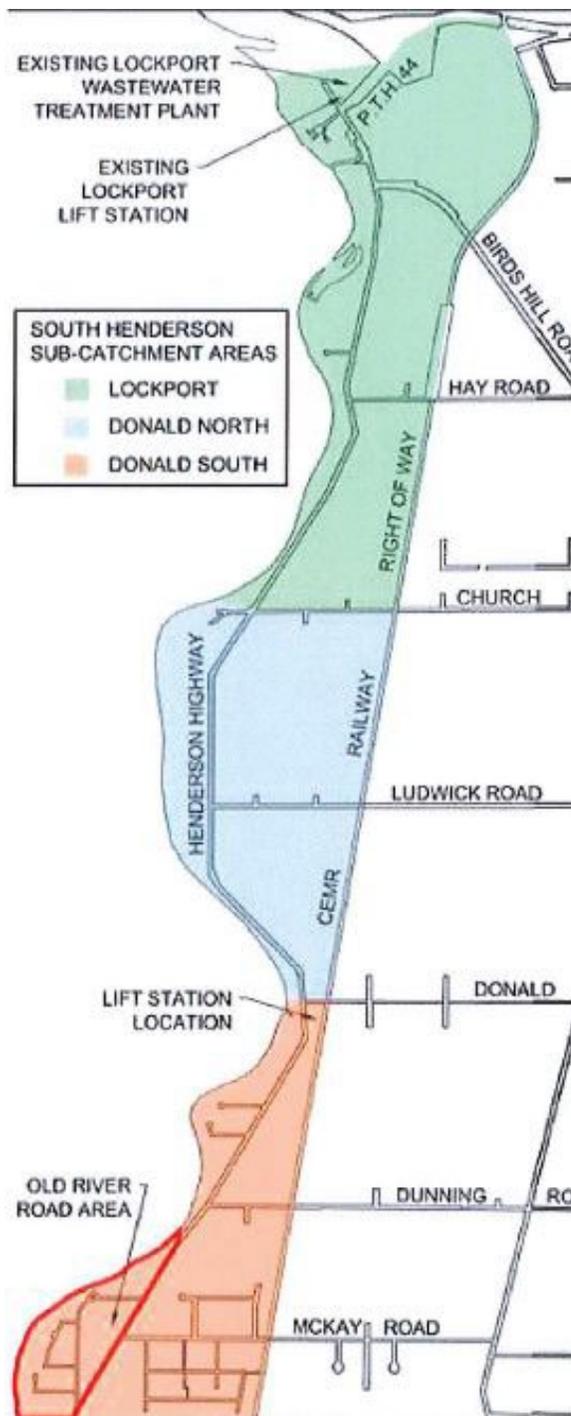
Background

- In the late 1990's, provincial testing revealed high levels of coliform bacteria in ditch water in South St. Clements. In 2001, the Medical Officer of Health issued an order to the RM of St. Clements to develop plans to address the insanitary conditions.
- The original Henderson Highway Sewer Project allowed the RM to permanently resolve this long-standing challenge. Properties within the area covered by the health order were the first to be connected to the new sewer line.
- Future phases identified were other property owners within the project area who would have an opportunity to connect to the wastewater system.
- The residences along the Henderson Highway (HH) utilize groundwater for domestic water supply and septic fields for disposal of wastewater. The soils in the area, are not suitable for a septic field, especially in the small sized lots (under 1 acre) that exist. This leads to a situation called “breakouts”, where the wastewater leaches into the groundwater and in the adjacent ditches.
- In 2009, Manitoba enacted new regulations for on-property (private) septic fields. These regulations do not allow any new septic field system to be constructed along the Red River corridor, irrespective of the lot size. For other areas, subject to soil suitability, a minimum lot size of 2 acres is required for constructing a septic field disposal system.
- Most of the homes in the HH corridor have been “grandfathered” in. However, should these fields fail, the homeowner is not allowed to re-construct a new septic field. They must either install a holding tank (for pump-outs) or connect to a municipal sewer (piped) system.

Background

- Province of Manitoba expressed concerns about high levels of fecal coliform in the groundwater in the area known as Old River Road (ORR). It was suspected that the cause of the high fecal coliform levels may have been due to leaching of septic field wastewater into the groundwater.
- This led to the Province issuing a Public Health Order against the R.M. of St. Clements, indicating that a municipal sewer system be built to serve the residences in the ORR.
- RM of St. Clements proceeded to connect the ORR area by a piped low pressure sewer system to the existing Lockport wastewater treatment plant.
- The sewer system along Henderson Highway (HH) was completed in 2015. However due to capacity limitations, only the homes in the ORR were allowed to be connected to the existing Lockport Wastewater treatment plant (LWWTP).
- For the remaining homes in the HH catchment area, the LWWTP needed to be expanded.

Background



- The HH catchment area is defined as all of the land from Lockport to the St. Clements' southern border, from the Red River in the west to the CEMR Rail Tracks in the east.
- A sewer levy study was completed in 2014. Based on the study, the Municipal council established a connection cost of \$12,700 per home. The homes in the ORR paid for the connection fee (\$12.7 K) through a Local Improvement District (LID).
- A separate study completed in 2014, estimated the costs for expanding the LWWTW at its current location to be \$6.5 M (Class "D" estimate).
- With federal/ provincial funding from the Build Canada Fund (BCF) sewer mains were installed in 2015 in all of the streets west of the CEMR rail lines. In addition, sewer service lines with curb stops were installed to all of the homes in the ORR area.
- Within the past 7+ years, due to similar concerns about the degradation of the groundwater in the community of East Selkirk, the RM of St. Clements installed a complete water and sewer system in East Selkirk, with a lagoon for wastewater treatment. The system is now connected to about 280 homes, but has a capacity of connecting a total of approximately 850 homes.

Background

- In December of 2017 a St. Clements Regional Wastewater Study was completed by WSP which looked at expanding the Rural Municipality of St. Clements sewer service in the Henderson Catchment Area (HCA). The study focused “on using the East Selkirk Wastewater Treatment Lagoon (WWTL) system to accommodate wastewater from the HCA.
- The study completed by WSP recommended the following preferred option:
 - The Donald/ Lockport lift stations would pump wastewater north, through a forcemain, via CEMR right-of-way to East Selkirk lagoon. The current lagoon in East Selkirk was designed for about 850 homes.
 - The existing lagoon has an excess capacity to accept wastewater from 400+ homes, without an expansion. Therefore, it is possible to accept the current wastewater from Lockport, including ORR, for a limited time, before an expansion is required.

Project Overview & Phases



wsp
 1880 BENTLEY BLVD
 WILLOW GROVE, ONTARIO L1R 9V7
 PHONE: 905-271-2222 FAX: 905-271-2244
 WWW.WSPGROUP.COM

DATE: 2017/10/17
 PROJECT: 1771-11000-00
 DRAWING: 1771-11000-00-01
 SCALE: 1:10000
 DRAWN BY: W.H.B./M.P.M.
 CHECKED BY: A.L.M.
 DATE: 2017/10/17

PROJECT NO: 1771-11000-00
 DRAWING NO: 1771-11000-00-01
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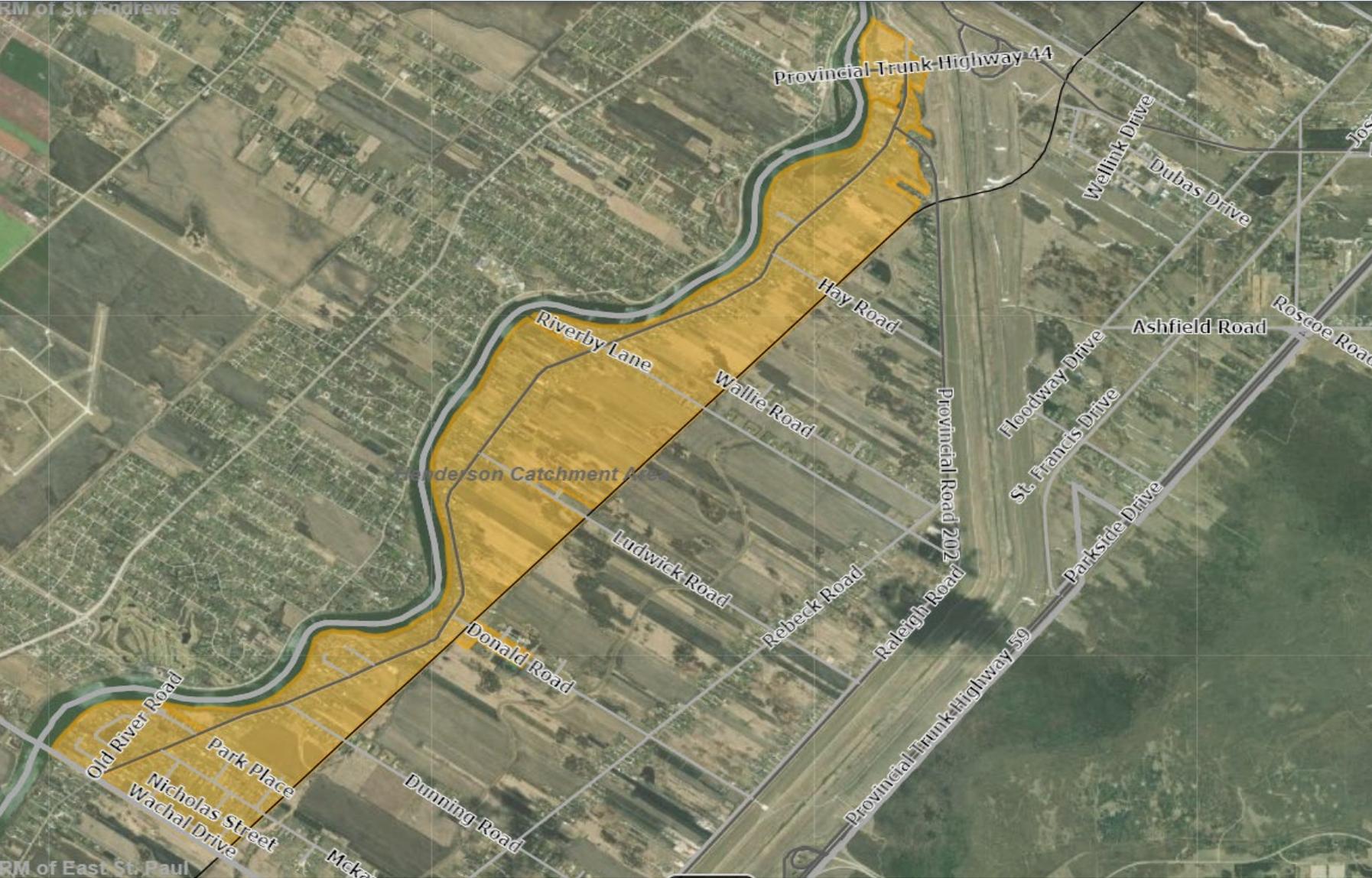
Project Description	Timeline
Phase 1 - Twin 300mm forcemains	2021-2022
Phase 2 - New Lift Station & decommission of Lockport Waste Water Treatment Plant	2023
Phase 3 - Upgrade to East Selkirk Lagoon	TBD

Project Status

- ▶ In 2019 the RM made a submission for support from the Federal ICIP (Investing in Canada Infrastructure Program).
- ▶ In 2021 the RM received support from the Manitoba Water Services Board for funding to complete the Twin Forcemains and in 2022 have requested for additional support in order to decommission the Lockport Wastewater Treatment Plant and New Lift Station at Lockport.
- ▶ Initially, only the 60+ homes in the ORR are allowed to be connected to the LWWTP until the twin forcemains were installed.
- ▶ The Henderson Wastewater Sewer Project with twin forcemains has completed in January 2023.



Project Location for Sewer Connections



Project Update

- ▶ Project experienced delays due multiple start and stop events due to excessive rain and saturation of the soil in 2022. Project completed early January 2023.
- ▶ Municipal contract for installation of service line extensions and curb stops has been awarded.
- ▶ January 13, 2023 a letter was sent to all residents in Henderson Catchment Area with an update and cost estimates.
- ▶ Open Houses have been scheduled for January 30 and February 9, 2023.
- ▶ A Public Hearing has been scheduled for February 21, 2023 at 6:30pm for the Local Improvement District.
- ▶ The Local Improvement District is voluntary and only those registered will receive charges on their taxes.
- ▶ Residents have till February 15, 2023 to identify if they would like to participate in the Local Improvement District.

Residential Costs and Options

Those choosing to participate will be responsible for three different types of costs. Your share of the public infrastructure cost (includes one connection fee and curb stop)

► **Option 1. One-time payment in full - \$14,302**

This cost is on a first come first serve basis until February 15, 2023 or until all the 290 REU's are presold.

(Note: This rate was determined at the time that By-Law 19-2016 was passed. This fee cannot be guaranteed once this presale becomes unavailable due to higher construction costs and ongoing infrastructure expansion.)

OR

► **Option 2. Choose to have the infrastructure cost added to your tax bill as a Local Improvement**

District (LID) over 20 years - estimated at \$17,521.73 per parcel + interest = **\$1,469.25** per year

The above amount is an estimate and it will be based on the result of sufficient potential taxpayer interest and approval by the Municipal Board. The total cost of this will be based on actual costs determined in the tendering and construction process and will also include interest added over the 20-year period.

Municipal Act, S 311 – a local improvement may be any project the cost of which includes a capital component including sewage, water or waste management facilities, highways or drainage systems, which may be provided to all or part of the Municipality.

Municipal Act, S 315 (2) – the estimated cost of the local improvement includes:

(a) All capital costs to be incurred for the purpose of the improvement, including the cost of acquiring land that the council considers necessary for the improvement

Municipal Act, S 316 (1) – local improvement or special services taxes must be calculated on the basis of one or more of the following:

(f) an amount for each parcel of land

Why Borrow?

- ▶ At the initial open houses and discussions on May 25, 2022, residents expressed interest in connecting through a [Local Improvement Levy](#) and pay for connection through property taxes.
- ▶ Local improvement and special service by-laws allow municipalities to tax only the taxpayers who will benefit from the local improvement or special service provided. Given the uniqueness of this financing method, The Municipal Act imposes obligations on Council to communicate with the public, hold public hearings and make information accessible. This allows the taxpayers the opportunity to review, consider and support or object to the plan or proposal before it is adopted.
- ▶ Section 311 states that a local improvement may be any project the cost of which includes a capital component including sewage, water or waste management facilities, highways or drainage systems, which may be provided to all or part of the municipality.
- ▶ Usually a local improvement project involves borrowing money to finance the project. The cost of the local improvement is limited to the capital costs for the project, plus any finance charges. The amount of revenue raised by the local improvement tax to repay the cost of the local improvement must be the same in each year, although potential taxpayers have the option of prepaying the local improvement taxes if these taxes are not based in whole or in part on assessment (mill rate), i.e. on a frontage basis. The local improvement tax ends when the cost of the project and finance charge is repaid. The term of the borrowing must not exceed the estimated useful life of the capital property.

Variations to the debenture calculations

► Interest Rate

In order to receive Municipal Board authorization to borrow for a debenture, the municipality must use an inflated interest rate in their calculations in the event there is an increase in interest rates by the end of the project.

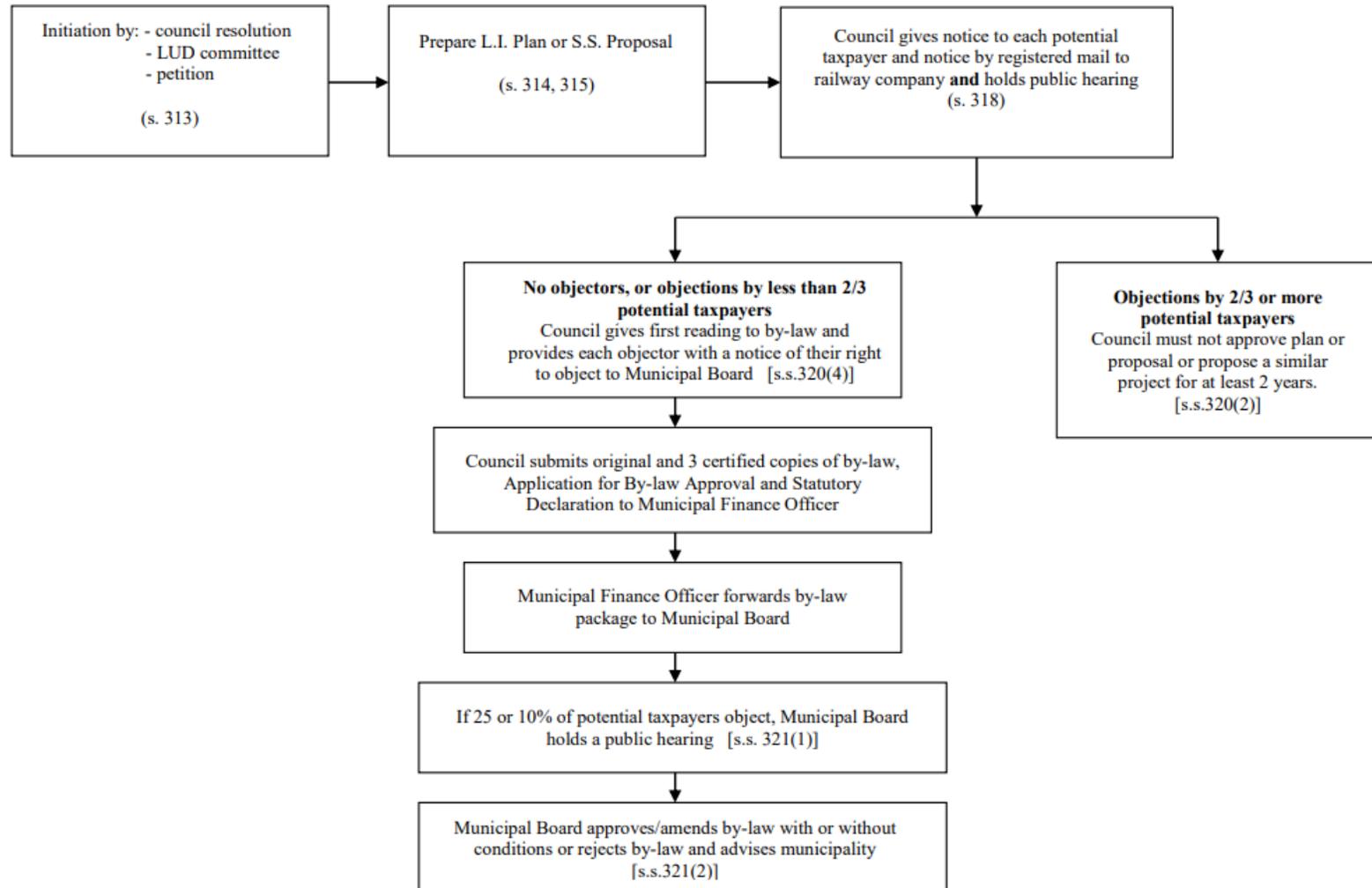
The current provincial 20 year debenture rate is 5.525%

► Project Costs

The actual project costs may vary to the current estimated costs.

Once the project has been completed and borrowing , the proposal has been reviewed to ensure the project remains cost effective.

Local Improvement Process



How would you pay for connection

As discussed earlier there are two options to pay for connecting to the Henderson Highway Sewer main lines.

- ▶ **Option 1. One-time payment in full of \$14,302.00**

OR

- ▶ **Option 2. Choose to have the infrastructure cost added to your tax bill as a Local Improvement District (LID) over 20 years - estimated at \$17,521.73 plus additional interest**
- ▶ If Option 2 (LID) is chosen the debenture payments will be added to the annual taxes as an annual LID Cost amortized over 20 years for everyone who chose to participate in the LID estimated at **\$1,469.25** per year.
- ▶ Anyone not participating in the LID will not have any charges added to their taxes.
- ▶ Costs related with connecting on private property will be the responsibility of the resident/property owner.

Next Steps

- ▶ Determine Number of Residents Interested in utilizing a Local Improvement District by February 15, 2023.
- ▶ Council holds Public Hearing on February 21, 2023.
- ▶ Council Passes Resolution for Local Improvement (if no significant objections)
- ▶ Local Improvement Steps
 - ▶ The Local Improvement Plan is Published (completed on website, Schedule “B” of By-law)
 - ▶ Notice of the Local Improvement Plan provided to all Residents (completed on Jan 13,2023)
 - ▶ Public Hearing Held to Outline Details and Costs (scheduled on Feb 21,2023)
 - ▶ Provide Opportunity for Additional Residents to Utilize the Local Improvement Option
 - ▶ Council Decision After Public Hearing
- ▶ Municipal Board Review
 - ▶ The Board must consider every by-law and, by written order, approve the by-law, refuse to approve the by-law or require that the by-law be amended.

Under subsection 321(4), council may give third reading to a by-law only as amended or approved by the Board. If at least 25, or 10% of the potential taxpayers object to The Municipal Board, the Board must hold a hearing regarding the by-law to adopt the local improvement plan or special service proposal.

Local Improvement Plan

A local improvement plan must:

- a) describe the proposed local improvement;
- b) identify the local improvement district or the lands or businesses in respect of which the local improvement tax is to be imposed;
- c) identify the potential taxpayers under the plan;
- d) state the method and rate to be used for calculating the proposed local improvement tax, the number of years in which it is to be imposed and, if the tax can be prepaid under section 325, the estimated discount or rate of discount for prepayment;
- e) state the estimated cost of the local improvement and the period of years over which the cost is to be spread, which must not exceed the projected useful life of the improvement;
- f) identify the anticipated sources of funding to pay for the local improvement and the portion of the estimated cost to be paid by each source;
- g) state the estimated amount of money to be borrowed, and the maximum rate of interest, the term and the terms of repayment of the borrowing; and
- h) state how the annual operation or maintenance of the local improvement is to be funded.

Local Improvement By-law 2-2023

- By-law 2-2023 (2023 Borrowing By-Law: SSC Utility Phase 2 - LID) had first reading by Council on January 24, 2023.
- Local Improvement Plan no. 1-2023 included as schedule “B” to By-law 2-2023.
- Identifies Rural Municipality of St. Clements to borrow the estimated sum of \$981,216.65.
- Identifies per parcel basis for LID for estimated cost of \$17,521.73.
- Identifies schedule for consecutive annual amounts, including principal and interest, required to be raised each year for twenty (20) years and method and rate to be used for calculations. Estimated at \$1,469.25 per year for each participating parcel.
- Properties who have already identified they wish to participate in LID are included in schedule “C” to By-law 2-2023.
- Public Notice was given on Tuesday, January 24, 2023 and will be followed up with notice in Selkirk Record.
- Public Hearing set for 6:30 pm, February 21, 2023 in the Municipal Office at 1043 Kittison Road.
- Following the public hearing and 2nd reading, the proposed borrowing by-law will be forwarded to the Manitoba Municipal Board for approval.

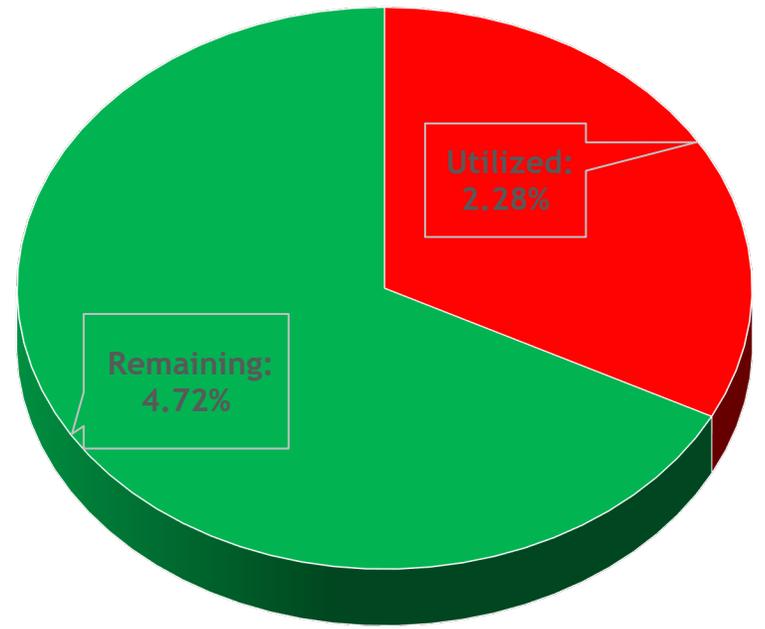
Local Improvement By-law 2-2023 Schedule "C"

Roll	Legal	Civic #	Street Name	Cash Option	Finance Option
800	*RL300-AD-3393	6323	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
1010	*1-13970	6326	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
2400	*RL305-AD-3393	6238	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
3700	*RL211-AD-3393	6134	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
4952	2-36379	6022	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
5600	*9-7607	89	Church RD S	\$ 17,521.73	\$ 1,469.25
6150	1-2-32567		Riverby Lane	\$ 17,521.73	\$ 1,469.25
6832	2-2-23883	88	Church RD S	\$ 17,521.73	\$ 1,469.25
6862	8-2-23883	162	Church RD S	\$ 17,521.73	\$ 1,469.25
10600	*RL220-AD-3393	5752	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
11160	*RL223-AD-3393	5728	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
11400	RL223-AD-3393	5725	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
11525	2-32290	5710	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
12760	1-46316	5656	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
12800	*1/3-8826	5654	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
16600	*RL235-AD-2711	5526	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
17350	*RL239-AD-2711	5455	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
19600	*RL248-AD-2711	5256	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
20850	*RL251-AD-2711	5196	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
23800	*RL260-AD-3392	5043	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
24500	C-36450	5001	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
24840	5-34358	47	Readgan Drive	\$ 17,521.73	\$ 1,469.25
24850	6-34358	59	Readgan Drive	\$ 17,521.73	\$ 1,469.25
25830	2-2-14098	61	Roman Drive	\$ 17,521.73	\$ 1,469.25
27500	*RL268-AD-3392	4840	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
28500	*RL270-AD-3392	4782	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
28980	1-1-15077	4755	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
28990	2-1-15077	21	Dunning RD	\$ 17,521.73	\$ 1,469.25
29502	3-34190	4745	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
31600	*RL276-AD-3392	4587	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
32040	9-1-45274	153	Park Place	\$ 17,521.73	\$ 1,469.25
32825	2-2-30252	114	Park Place	\$ 17,521.73	\$ 1,469.25
32830	3-2-30252	126	Park Place	\$ 17,521.73	\$ 1,469.25
32850	1-3-30252	35	Marvin Garden RD	\$ 17,521.73	\$ 1,469.25
33155	1-2-25098	93	Boardwalk	\$ 17,521.73	\$ 1,469.25
34759	5-1-14797	138	McKay RD	\$ 17,521.73	\$ 1,469.25
34787	3-3-14797	62	Nicholas St	\$ 17,521.73	\$ 1,469.25
34813	7-4-14797	58	McKay RD	\$ 17,521.73	\$ 1,469.25
34900	1-24219	4379	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
34945	1-21149	4391	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
35304	4-1-27757	4343	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
35310	1-2-27757	5	Wexhal Drive	\$ 17,521.73	\$ 1,469.25
35327	1-4-27757	149	Nicholas St	\$ 17,521.73	\$ 1,469.25
35329	3-4-27757	165	Nicholas St	\$ 17,521.73	\$ 1,469.25
215100	*RL170-AD-3470	6828	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
224750	*RL189-AD-3470	6511	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
224800	1-29843	6500	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
224805	2-29843	6494	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
224820	*RL190-AD-3470	6497	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
226100	*RL192-AD-3470	6468	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
226300	1-16861	6452	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
226310	2-16861	6440	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
226600	*RL194-AD-3470	6426	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
226700	1-13100	6411	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
227250	*RL196-AD-3393	6405	Henderson Hwy	\$ 17,521.73	\$ 1,469.25
227350	*RL196/197-AD-3393	6380	Henderson Hwy	\$ 17,521.73	\$ 1,469.25



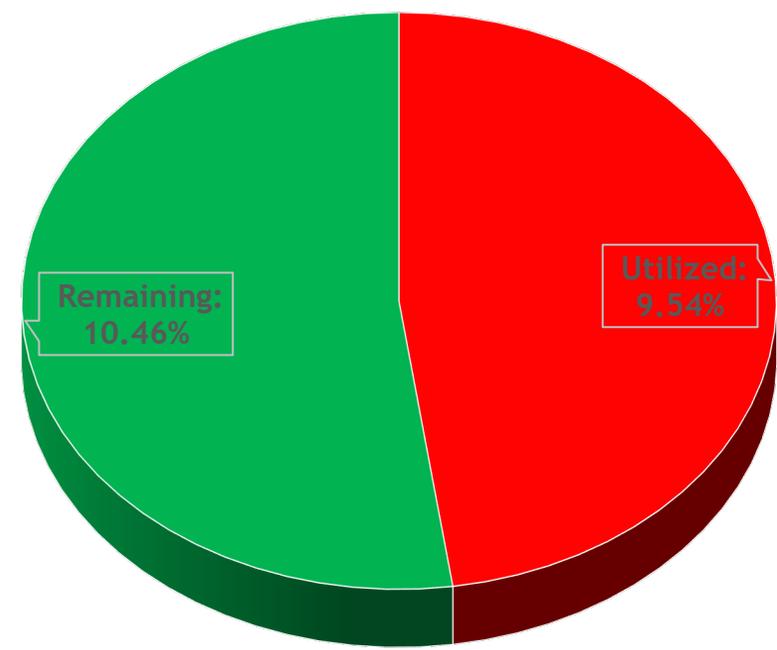
2023 Debt - Estimated Position for RM

BORROWING CAPACITY REMAINING



■ Utilized: ■ Remaining:

PAYMENT CAPACITY REMAINING



■ Utilized: ■ Remaining:

In 2022 budget, of the 7% available there is still 4.72% of debt capacity remaining, totaling over \$42.6M and of the payment capacity of 20% there is still 10.46% available, totaling over \$1.9M in payments. Commitment to fiscal management has allowed the RM to continue to be in a sound financial position in relation to the debt ceilings for the RM

Additional Information for Residents

- If you choose to not connect at this time and wish to pay for connection in the future at the applicable rate of the day, you do not need to notify us. This local improvement is not mandatory, only the residents that want to participate can sign the pre-sale agreement.
- If property owners wish to sign up for cash payment before February 15, 2023 they will be provided the discount rate for 2022 of \$14,302.00 until total of 290 residential equivalent units have entered into agreement.
- Properties participating in pre-sale have up to three years to make connection from their dwelling to the system (by July 1, 2026). After which those property owners will be charged the quarterly utility charges, similar to being connected to sewer system.
- Property owners fronting Henderson Highway will be contacted in advance of the work to determine the preferred location of their curbstop. This is being done in advance of the installations so application and approval can be made to Manitoba Transportation & Infrastructure before the work begins within the provincial right-of-way. Participating properties fronting municipal rights of way will be contacted for their preferred location as the work progresses.
- Your qualified contractor will be an extremely helpful source of information and can help you determine the work required and costs included, making sure all requirements are met. You can view a list of contractors, specifications and hook up procedures on our website, www.rmofstclements.com/sewer-connection-presale.

Questions?

Project Description and Costs





St. Clements

The place to be

THANK YOU!