

To: Fraser Valley Regional District Board

Date: 2018-04-24

From: Tareq Islam, Director of Engineering and Community Services  
Jaime Schween, Manager of Corporate Administration

File No: 3920-20-1468

**Subject: Fraser Valley Regional District North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018.**

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### RECOMMENDATION

**THAT** the Fraser Valley Regional District Board consider adopting the bylaw cited as *Fraser Valley Regional District North Cultus Sewer System Loan Authorization bylaw No. 1468, 2018*.

#### STRATEGIC AREA(S) OF FOCUS

Support Environmental Stewardship  
Support Healthy & Sustainable Community  
Provide Responsive & Effective Public Services

#### PRIORITIES

Priority #1 Waste Management

### BACKGROUND

At the January 24, 2018 Board meeting, the Board gave three readings to Fraser Valley Regional District North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018. At that same meeting, the Board also gave three readings to the Fraser Valley Regional District North Cultus Sewer System Service Area Amendment Bylaw No. 1465, 2018, Fraser Valley Regional District North Cultus Sewer System Expansion (Park Drive and Mountain View Road) Capital Construction Service Area Establishment Bylaw No. 1466, 2018 and Fraser Valley Regional District North Cultus Sewer System Expansion (Park Drive and Mountain View Road) Capital Construction Service Area Loan Authorization Bylaw No. 1467, 2018. However, as the threshold for the petition process was not met for including the Park Drive and Mountain View properties as part of the North Cultus Sewer System Service Area, Bylaw Nos. 1465, 1466 and 1467, 2018 were defeated and will not proceed any further.

On April 4 and 14, 2018, an Assent Vote was conducted and passed with respect to the North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018. The purpose of Bylaw No. 1468, 2018 is to authorize the borrowing of up to \$6.5 million for the construction of a new sewage treatment plant to serve the North Cultus Sewer System Service Area. Accordingly the Fraser Valley Regional District North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018 has now received the assent of the electors, and the Board may now consider the adoption of this bylaw.

## DISCUSSION

The Cultus Lake Park is served by two sewage collection systems under a single Ministry of Environment Permit. The sewer system is comprised of septic tanks and disposal fields. The system was constructed in 1979 and it was operated by the Cultus Lake Park Board until 2014 and since then FVRD has taken over the operation and maintenance of the sewer system.

The existing sewer systems do not have any treatment of the effluent and there is evidence to suggest that the system infrastructure has not been maintained to the industry standard for many years. Flow monitoring reports and septic sludge haul-out records appear to show that for the given period, the FVRD has been compliant with the Ministry of Environment Permit. However, previous reports have documented the risks associated with contamination of the nearby groundwater wells and the challenges in servicing growth. The accumulation of nutrients (e.g., phosphorus and nitrate levels) in the groundwater is a key concern as is bacteriological impact such as E-coli contamination of the lake water.

In order to address these concerns the existing system is in need of a major upgrade. In 2015 FVRD initiated a Liquid Waste Management Plan (LWMP) which is a provincially regulated process. The LWMP included several public consultation processes and evaluated an upgrade based on criteria such as holistic approach to sanitary management including lake impact assessment and monitoring program as well as aquifer protection plan. The LWMP requires that any future upgrade or any new system would be a Class A+ system (the highest classification under Provincial regulation is Class A), the plus (+) is to represent removal of phosphorus and higher level nitrates.

## COST

The total cost to construct a new Class A+ sewage treatment plant is not expected to exceed \$6,500,000, with the cost being paid for by all users of the Cultus Lake Sewer System. The funds required to complete the project would be borrowed and paid back over the next 20 years. The cost to all users will be \$965 per year, with the cost decreasing to \$400 after 20 years once the borrowing has been repaid. The cost will be recovered through a combination of property taxes starting in 2020 and a semi-annual utility bill. The cost includes the costs of operations, capital debt repayment and contributions to a reserve fund. The FVRD intends to apply for grant funding to help pay for this project; however, nothing has been secured at this time. The cost estimate should be viewed as 'worse case scenario' figures based on no grant funding.

The maximum borrowing permitted by *Fraser Valley Regional District North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018* is \$6,500,000 over a 20 year term.

## CONCLUSION

As Fraser Valley Regional District North Cultus Sewer System Loan Authorization Bylaw No. 1468, 2018 has now received the assent of the electors, the Board may choose to adopt this bylaw.

**COMMENTS BY:**

**Mike Veenbaas, Director of Financial Services**

Reviewed and supported.

**Paul Gipps, Chief Administrative Officer**

Reviewed and supported.